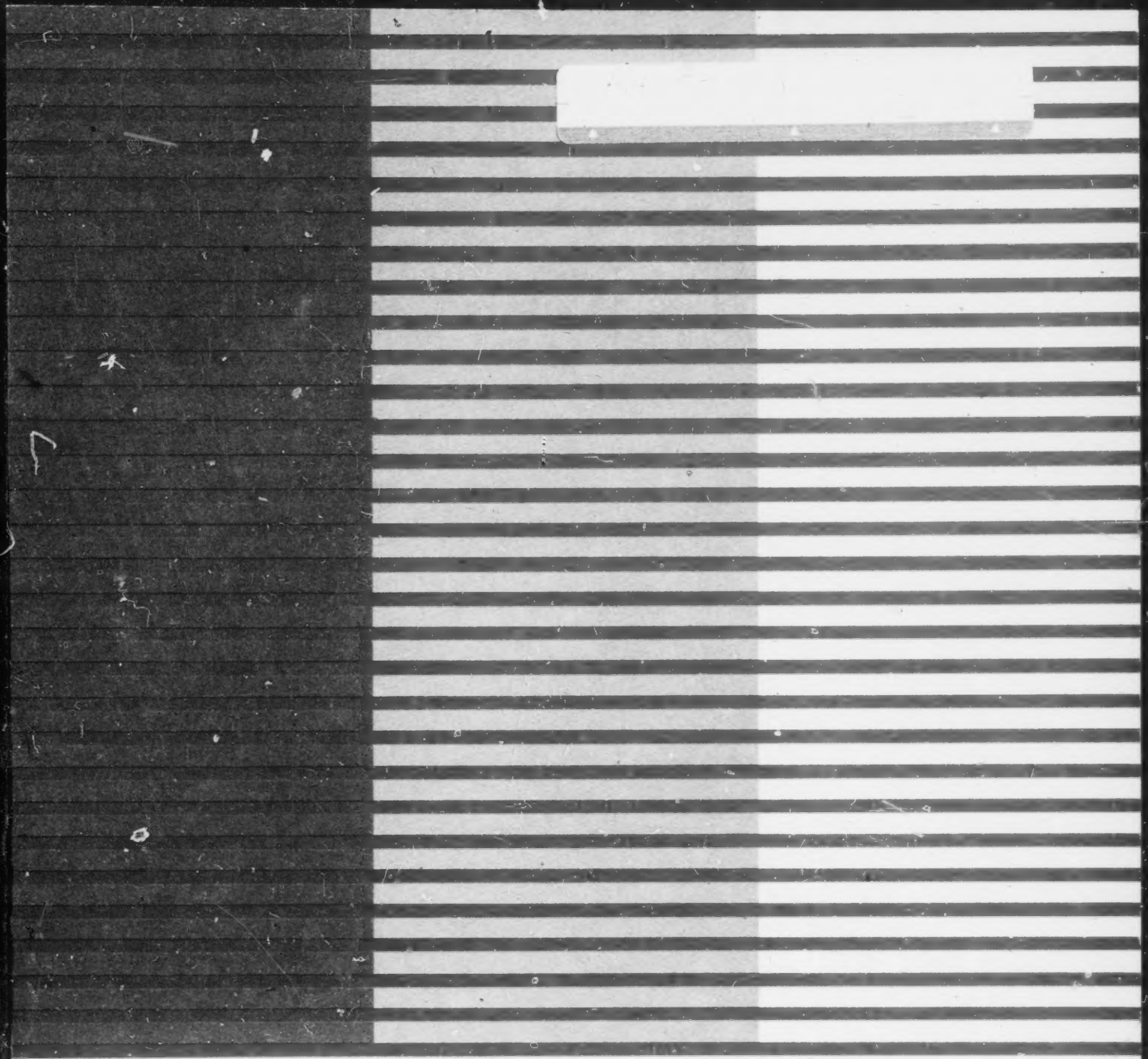


Customer & Employee Accident Experience in the Supermarket Industry

A SURVEY FROM FOOD MARKETING INSTITUTE

1978-1980

The Committee on Risk Management of the Food Marketing Institute

Ed Shivers
Committee Chairman
Publix Super Markets

Bert W. Anderson
Safeway Stores, Inc.

Walter R. Butler
First National Supermarkets

Fred Cline
Malone & Hyde

David Grubb
The Great Atlantic & Pacific Tea Co.

Mark Kindig
Wegmans Food Markets

Howard Livermore
Supermarkets General Corporation

W. E. Oppenheimer
Super Valu Stores

John Plunkett
Hannaford Brothers

J. W. Schweitzer
H. E. Butt Grocery Company

John Shankey
Committee Chairman, 1981
The Kroger Company

Todd S. Mann
Food Marketing Institute

Food Marketing Institute, a non-profit trade association, conducts programs in research, education and public affairs on behalf of its members, retailers and wholesalers from corner stores to supermarket chains—and their customers. FMI membership includes food chains, independent grocers, voluntary wholesalers and cooperatives in the United States, Canada and about 30 foreign countries.

CUSTOMER AND EMPLOYEE ACCIDENT EXPERIENCE IN THE SUPERMARKET INDUSTRY 1978-1980

prepared by

Food Marketing Institute

Data Compiled by:
Arthur Andersen & Company

Published by:

Research Division
Food Marketing Institute
1750 K St., N.W.
Washington, DC 20006

Price:

FMI Members: $12.50
Non-Members: $25.00
© Copyright 1982 by
Food Marketing Institute
Printed in U.S.A.

MANAGEMENT OVERVIEW

Summary Data For 1980 Estimated Final Values

PUBLIC LIABILITY - STORES

	Claims Cost as a % of Sales				Average Claim Size In Dollars			
	North-east	North Central	South	West	North-east	North Central	South	West
Chains GREATER THAN $250 Million Sales	.18	.05	.09	.09	1,313	928	1,094	987
Chains LESS THAN $250 Million Sales	.25	.05	.06	.05	664	479	894	771
Independents	.13*	.12*	.05*	.09*	188	427	477	141

*Premium Costs

WORKERS COMPENSATION - STORES

	Claims Cost as a % of Payroll				Average Claim Size in Dollars			
	North-east	North Central	South	West	North-east	North Central	South	West
Chains GREATER THAN $250 Million Sales	1.27	1.25	1.11	1.73	828	881	946	1,634
Chains LESS THAN $250 Million Sales	3.04	.89	.76	1.10	749	579	491	492
Independents	2.12*	1.45*	1.95*	2.78*	427	321	313	1,944

*Premium Costs

WORKERS COMPENSATION - DISTRIBUTION CENTERS

	Claims Cost as a % of Payroll				Average Claim Size in Dollars			
	North-east	North Central	South	West	North-east	North Central	South	West
Chains/Wholesalers GREATER THAN $250 Million Sales	3.21	3.30	2.30	4.74	1,143	1,230	1,371	1,792
Chains/Wholesalers LESS THAN $250 Million Sales	**	1.63	1.49	1.52	**	782	984	780

**Insufficient Data

TABLE OF CONTENTS

MANAGEMENT OVERVIEW ii

CONTENTS iii

INTRODUCTION iv

SAMPLE v

PUBLIC LIABILITY - STORES 1

Chains With Sales GREATER THAN $250 Million 2

Chains With Sales LESS THAN $250 Million 7

Independents 13

WORKERS COMPENSATION - STORES 19

Chains With Sales GREATER THAN $250 Million 20

Chains With Sales LESS THAN $250 Million 25

Independents 31

WORKERS COMPENSATION - DISTRIBUTION CENTERS 37

Chains/Wholesalers With Sales GREATER THAN $250 Million 38

Chains/Wholesalers With Sales LESS THAN $250 Million 43

APPENDIX 49

INTRODUCTION

FMI is very pleased to present the first Customer and Employee Accident Survey ever available specifically for the food distribution industry. This is part of our ongoing effort to identify and address key operating issues for our member companies.

The costs to food distributors of customer and employee accidents have been rising dramatically over the past several years. At the same time, the options available for insuring against these losses have multiplied. For this reason, FMI formed a Committee on Risk Management to guide the Institute in its efforts to further awareness of these costs and of methods employed both to contain and administer them.

The FMI Committee believed that the initial goal should be to provide the industry with benchmark statistics on the costs of customer and employee accidents. Toward this end, Committee members developed a survey which would take into account certain needs and limitations. First, the questions asked in the survey would be narrow in scope, i.e., limited to data only on public liability and workers compensation accident frequency and costs. Because this survey is the first nationwide one of its type, it was felt that the information requested should be kept basic, with future surveys expanding the scope to include other aspects of insurance coverage and of risk management.

Second, since costs for public liability and workers compensation vary by region and by company size, the survey responses would be compiled accordingly. Data broken down in this manner would make it more meaningful than national data for a company to compare its own costs. Finally, the survey would present several methods of ascertaining costs. Because companies vary in the factors used to measure costs and in the ways they present these costs, the Committee employed five methodologies for presenting data on accident frequency and costs. Reporting several methodologies would not only enable companies to have several options for comparing their own data, but it was hoped that eventually evolving would be a standard method of accounting for these data.

The Results

FMI would like to express its appreciation to the 138 companies taking the time to respond to the survey. This excellent response is a testimony to the interest of the industry in this area, as well as to the need for industry-wide documentation.

The outcome of the survey proved beneficial on many counts. In terms of awareness, some companies responded that they were unable to get access to the data in time to respond; their agents or brokers or state fund agencies rarely provided them with the information requested by FMI. Other companies noted that they did not assimilate the data in a way applicable to the survey. In both cases, however, these companies responded favorably to the need to have such information available to them and indicated their willingness to respond to future surveys.

Perhaps the most appreciable benefit from the survey is that it is the first of its kind relating exclusively to the food distribution industry. Although being the first survey brought with it certain obstacles (as noted in the Sample), the results nonetheless provide individual companies with the opportunity to assess their own experience against companies of similar sizes in the same region. And as more companies respond in future years, the report carries the potential of becoming a standard benchmark and tool to further awareness of risk management.

THE SAMPLE

FMI mailed questionnaires to its retailer and wholesaler members. Chains (more than 10 stores) received surveys accommodating several insurance techniques for customer and employee accidents. As most independents use conventional insurance through premium payments, these operators received a shorter questionnaire geared toward premium costs. Wholesalers and chains with their own distribution centers were asked to respond to separate questions on employee accidents in the distribution center.

To assure confidentiality of data, respondents returned their surveys to the accounting firm of Arthur Andersen & Company. Arthur Andersen compiled the data and followed up on incomplete questionnaires. In providing FMI with the results, the firm noted that many follow-up calls did not result in completed questionnaires, as these respondents indicated the information was not available. Consequently, as results were aggregated by region, company size, and year (fiscal years were incorporated with calendar years), the pool of respondents varied by question and by year. Where the number of responses resulted in insufficient data (mostly for distribution centers), to ensure the confidentiality and quality of the survey, the data were not reported.

Another consequence of incomplete questionnaires were instances where initial values exceeded final values. In such instances, companies reported a number and cost of claims for only the initial value; others reported only the expected final value. Therefore, growth patterns cannot be imputed from the results shown since different companies may be included in the initial and final value computations for any given year. Other factors for the disparity between initial and final values could include claims which were settled finally for less than originally anticipated and for which reserves were made; or companies could have overstated their initial value and/or understated their final value.

The table below breaks out the number of responses by region and company size. Also below is a chart identifying the regions in which companies were separated. If a company operated in more than one region, it was asked to separate its data into the appropriate regions. Methodologies used for calculating the data are provided in the Appendix.

TOTAL NUMBER OF FIRMS REPORTING

NORTHEAST	
Retailers/Wholesalers	
Sales GREATER THAN $250 Million	13
Sales LESS THAN $250 Million	9
Independents	13
TOTAL	35
NORTH CENTRAL	
Retailers/Wholesalers	
Sales GREATER THAN $250 Million	13
Sales LESS THAN $250 Million	13
Independents	21
TOTAL	47
SOUTH	
Retailers/Wholesalers	
Sales GREATER THAN $250 Million	10
Sales LESS THAN $250 Million	9
Independents	11
TOTAL	30
WEST	
Retailers/Wholesalers	
Sales GREATER THAN $250 Million	10
Sales LESS THAN $250 Million	7
Independents	9
TOTAL	26
TOTAL FIRMS	138

Public Liability - Stores

Retailers were asked to identify the number and costs of reported customer accidents. Respondents were asked to exclude from the data all property damage claims settled for under $50 and product claims resolved by product replacement at store level or by supplier. Also excluded were suspensed incidents, such as no action, file downs, let rest, etc. Chains were asked for the number of customer accidents reported and total supermarket insured and self-insured losses incurred (paid losses, loss reserves and expense). In addition, chains were asked for number and costs of accidents as the first year-end report (initial value) and the expected final number and costs (final value). As most of the independents use conventional insurance, these companies were asked for premium costs as well as number and costs of accidents reported.

The brief paragraphs below summarize some of the major points represented by the tables and graphs immediately following.

Chains With Sales GREATER THAN $250 Million

Costs to these supermarkets of customer accidents in the store were greatest in the Northeast. These chains reported claims initially valued at the end of 1980 at .11% of sales, rising to .18% of sales as the forecasted ultimate value. The average size of claims in the Northeast at final value was estimated at $1,313, significantly higher than the other three regions. When looked at by customer count, the number of accidents and costs were the lowest in the South: final values in 1980 were $9.58 and .008 number of claims per 1,000 customers.

Chains With Sales LESS THAN $250 Million

Again, costs and frequency of customer accidents were the highest in the Northeast, true for all five measuring techniques. The South experienced increases over the three years in customer count bases. The final value of claims cost per 1,000 customers was $5.81 in 1978 and $8.18 in 1980, and the number of claims per 1,000 customers was .008 in 1978 and .011 in 1980.

Independents

Of greatest importance to independent operators is the actual cost of claims compared to premiums paid (loss ratio). For example, in 1980 the average claims cost in all regions ranged from a low of .01% of sales (West) to .04% of sales (North Central). Yet premiums paid in 1980 ranged from .05% of sales (South) to .13% of sales (Northeast). The South represented the region with the lowest claims to premium cost as a percentage of sales. Operators in the North Central and South regions had the highest 1980 average claim size, $427 and $477 respectively, while those in the Northeast experienced the greatest number of claims per $1 million of sales for all three years. Due to unavailability of data, independents were not asked for information based on customer count.

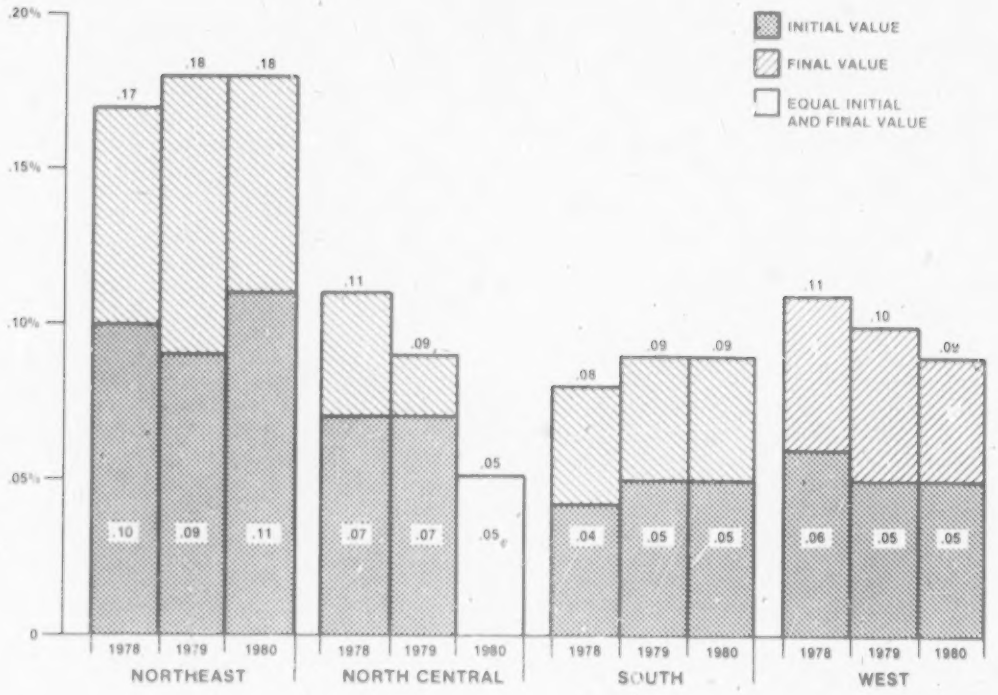
Public Liability – Stores

Chains With Sales Greater Than $250 Million

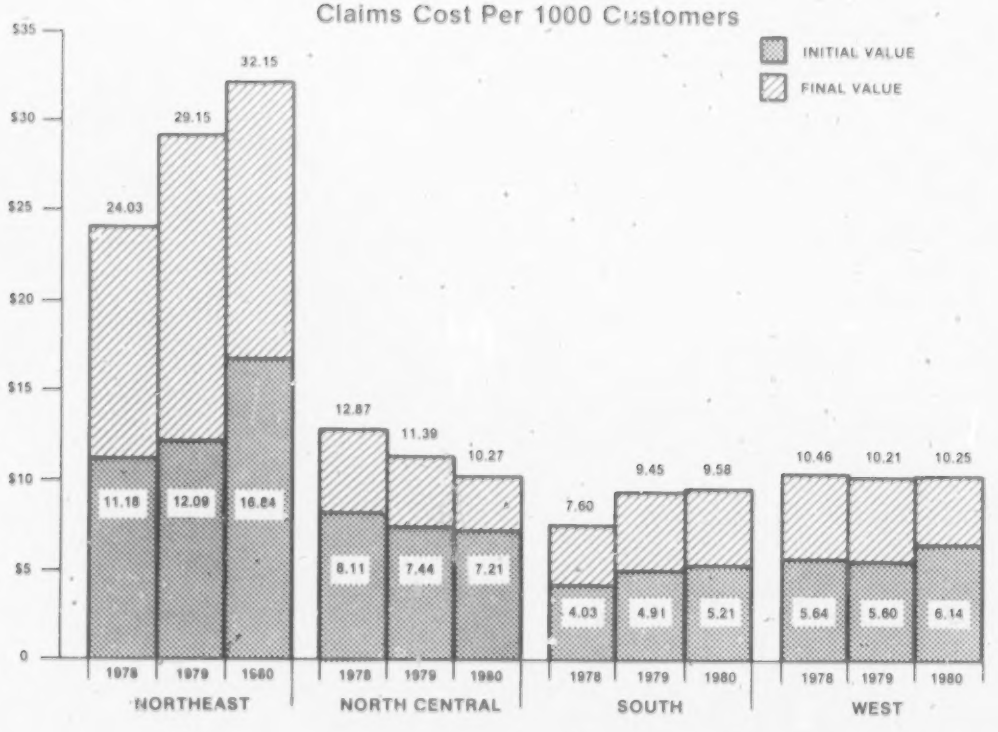
		CLAIMS COST AS A PERCENTAGE OF SALES				CLAIMS COST PER 1,000 CUSTOMERS			
		CLAIMS COST $	SALES $ (000)	%	NO. OF FIRMS	CLAIMS COST $	CUSTOMERS (000)	$	NO. OF FIRMS
NORTHEAST									
	1978	6,791,346	7,102,859	.10	7	4,670,800	417,641	11.18	6
INITIAL VALUE	1979	7,932,346	8,573,130	.09	10	5,241,500	433,402	12.09	8
	1980	10,681,063	9,673,805	.11	10	7,956,300	472,489	16.84	8
	1978	14,460,420	8,493,822	.17	9	10,610,420	441,521	24.03	6
FINAL VALUE	1979	16,999,718	9,677,002	.18	12	12,864,718	441,350	29.15	8
	1980	19,724,638	11,038,445	.18	13	15,976,638	496,929	32.15	10
NORTH CENTRAL									
	1978	5,807,923	8,020,093	.07	11	5,807,923	715,716	8.11	11
INITIAL VALUE	1979	6,310,885	8,995,194	.07	11	5,310,885	713,413	7.44	11
	1980	5,155,672	9,639,892	.05	12	5,155,672	715,289	7.21	12
	1978	9,211,959	8,020,093	.11	12	9,211,959	715,716	12.87	12
FINAL VALUE	1979	8,124,720	8,995,194	.09	12	8,124,720	713,413	11.39	12
	1980	5,155,672	9,639,892	.05	13	7,349,415	715,289	10.27	13
SOUTH									
	1978	3,799,337	9,320,956	.04	7	3,718,337	922,214	4.03	6
INITIAL VALUE	1979	4,982,076	10,487,512	.05	9	4,705,076	957,416	4.91	7
	1980	5,233,266	11,077,788	.05	8	5,076,266	973,872	5.21	7
	1978	7,380,144	9,684,641	.08	8	7,005,144	922,214	7.60	6
FINAL VALUE	1979	9,567,196	10,886,031	.09	10	9,050,196	957,416	9.45	7
	1980	9,882,299	11,545,624	.09	9	9,331,299	973,872	9.58	7
WEST									
	1978	5,302,423	8,805,319	.06	5	5,029,016	892,160	5.64	4
INITIAL VALUE	1979	5,804,738	10,639,291	.05	10	5,412,926	965,802	5.60	7
	1980	6,450,611	11,822,897	.05	8	6,184,141	958,987	6.44	7
	1978	9,637,318	8,669,789	.11	5	9,079,564	868,200	10.46	4
FINAL VALUE	1979	10,350,590	10,501,201	.10	8	9,632,527	943,252	10.21	7
	1980	10,079,609	11,653 647	.09	9	9,588,317	935,787	10.25	7

AVERAGE CLAIM SIZE IN DOLLARS				NUMBER OF CLAIMS PER $1 MILLION SALES				NUMBER OF CLAIMS PER 1,000 CUSTOMERS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	NO. OF CLAIMS	SALES $ (MILLION)	NO.	NO. OF FIRMS	NO. OF CLAIMS	CUSTOMERS (000)	NO.	NO. OF FIRMS
6,792,146	7,909	859	7	8,469	7,479.01	1.13	8	7,218	441,521	.016	7
7,932,605	11,091	715	10	11,928	8,986.16	1.33	11	9,701	458,812	.021	9
10,681,063	12,762	837	12	13,486	10,310.95	1.31	12	10,891	516,409	.021	10
14,058,420	10,005	1,405	8	10,005	8,063.81	1.24	8	7,989	426,912	.019	6
16,999,718	13,328	1,275	12	13,328	9,677.02	1.38	12	10,622	441,350	.024	8
19,724,638	15,020	1,313	13	15,020	11,038.45	1.36	13	11,637	496,929	.023	10
5,807,923	9,062	641	11	9,062	8,020.09	1.13	11	9,062	715,716	.012	11
5,310,885	7,756	685	11	7,756	8,995.20	.86	11	7,756	713,413	.011	11
5,155,672	7,434	694	12	7,434	9,639.89	.77	12	7,434	715,289	.010	12
9,211,959	9,617	958	12	9,617	8,020.09	1.20	12	9,617	715,716	.013	12
7,796,221	8,245	946	11	8,070	7,957.09	1.01	11	8,070	662,393	.012	11
7,247,415	7,806	928	12	7,806	8,441.71	.93	12	7,806	659,689	.012	12
3,799,337	7,710	493	7	8,311	9,684.65	.86	6	7,595	922,214	.008	6
4,982,076	8,539	583	9	9,130	10,886.03	.84	10	8,131	957,416	.008	7
5,233,266	7,998	654	9	8,736	11,545.63	.76	9	7,768	973,872	.008	7
7,380,144	8,840	835	8	8,840	9,684.65	.91	8	8,124	922,214	.009	6
9,511,196	9,446	1,007	9	9,446	10,556.42	.89	9	8,414	931,008	.009	6
9,818,299	8,976	1,094	8	8,976	11,181.90	.80	7	7,980	946,227	.008	6
5,302,423	10,942	485	5	11,353	9,067.27	1.25	6	10,921	924,180	.012	5
5,804,738	10,633	546	8	11,085	10,926.04	1.02	9	10,599	996,932	.011	8
6,450,611	9,186	702	8	9,723	12,126.04	.80	9	9,292	989,197	.009	8
8,922,957	10,772	828	4	10,772	8,407.84	1.28	4	10,267	836,200	.012	3
9,295,094	10,812	860	7	10,812	10,214.47	1.06	7	10,168	912,122	.011	6
8,991,699	9,113	987	9	9,113	12,126.04	.75	9	9,113	989,797	.009	8

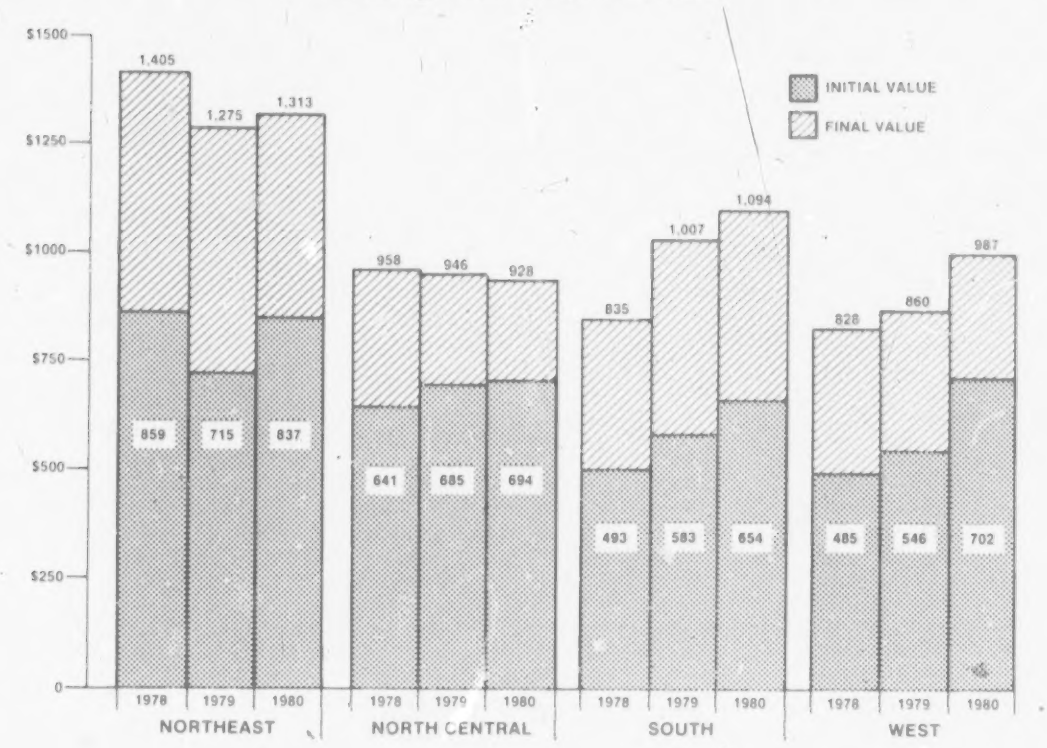
Claims Cost as a Percentage of Sales



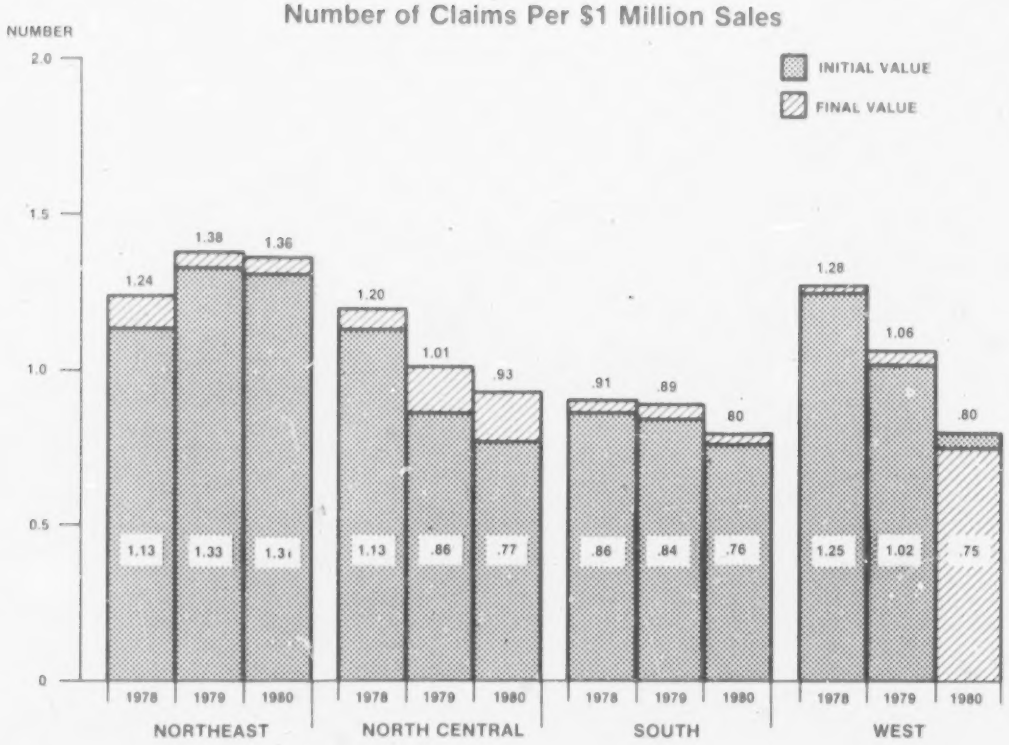
Claims Cost Per 1000 Customers



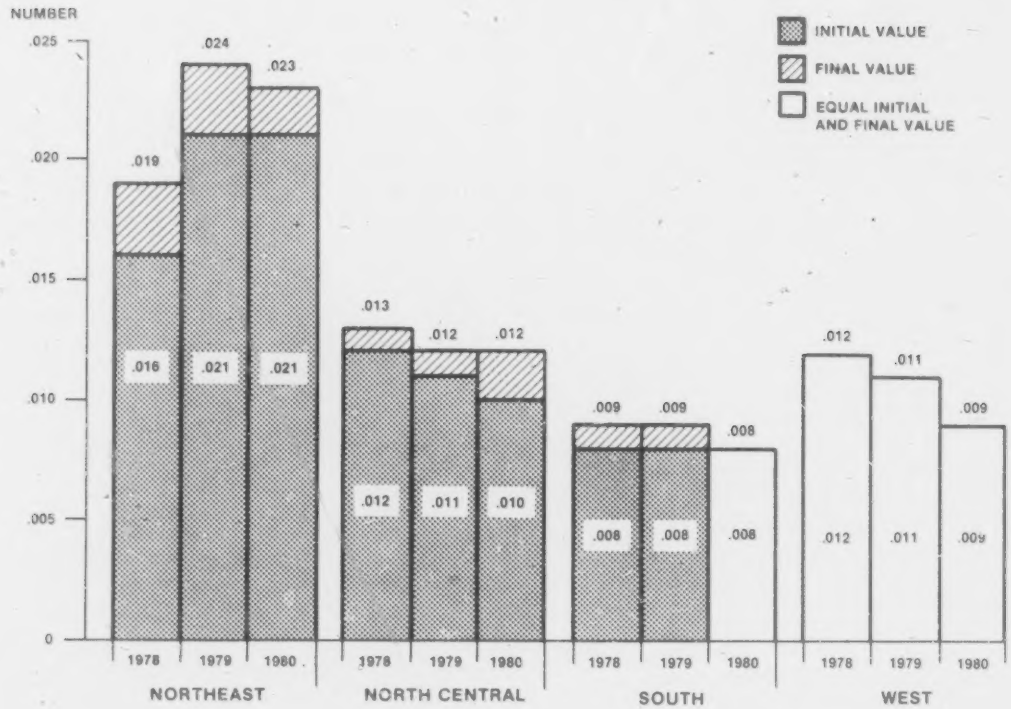
Average Claim Size in Dollars



Number of Claims Per $1 Million Sales



Number of Claims Per 1000 Customers



Public Liability - Stores

Chains With Sales Less Than $250 Million

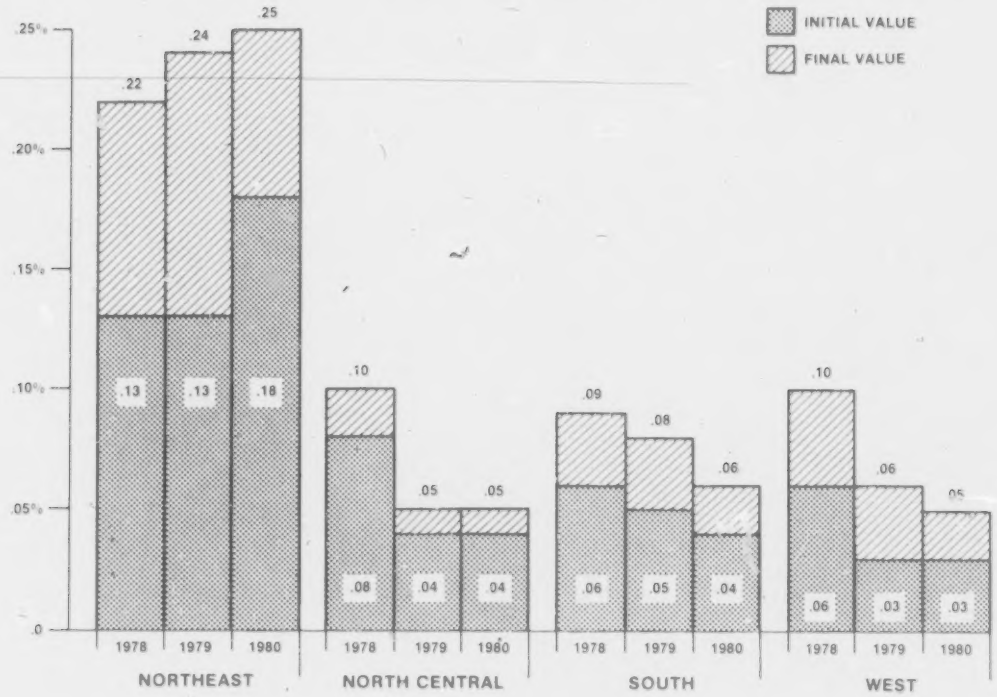
Public Liability – Stores

Chains With Sales Less Than $250 Million

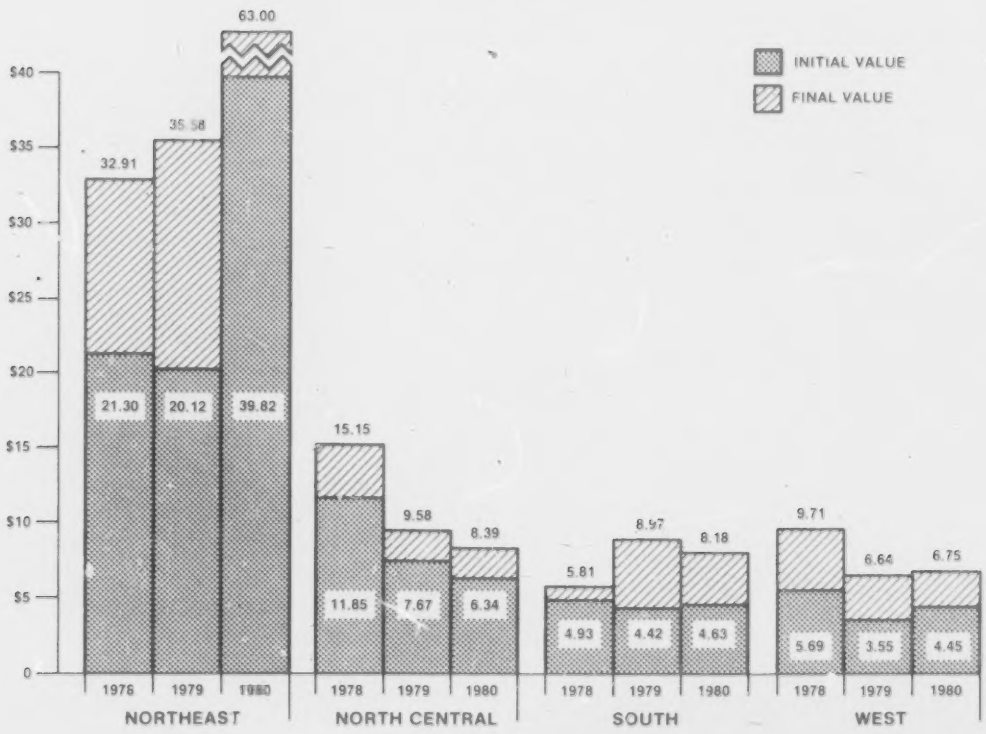
		CLAIMS COST AS A PERCENTAGE OF SALES				CLAIMS COST PER 1,000 CUSTOMERS			
		CLAIMS COST $	SALES $ (000)	%	NO. OF FIRMS	CLAIMS COST $	CUSTOMERS (000)	$	NO. OF FIRMS
NORTHEAST									
INITIAL VALUE	1978	819,000	642,104	.13	6	758,000	35,593	21.30	4
	1979	1,033,000	781,448	.13	7	943,000	46,879	20.12	4
	1980	1,498,000	820,376	.18	6	902,000	22,652	39.82	3
FINAL VALUE	1978	2,250,000	1,026,710	.22	6	1,648,000	50,080	32.91	4
	1979	3,015,600	1,238,352	.24	9	2,287,600	64,299	35.58	5
	1980	2,022,000	820,376	.25	6	1,427,000	22,652	63.00	3
NORTH CENTRAL									
INITIAL VALUE	1978	732,575	972,992	.08	12	589,295	49,713	11.85	3
	1979	461,430	1,123,612	.04	12	397,207	51,782	7.67	8
	1980	487,599	1,385,286	.04	10	353,309	55,722	6.34	6
FINAL VALUE	1978	930,681	972,992	.10	11	753,295	49,713	15.15	8
	1979	584,805	1,123,612	.05	12	496,207	51,782	9.58	8
	1980	624,512	1,385,286	.05	11	467,309	55,722	8.39	7
SOUTH									
INITIAL VALUE	1978	510,044	922,271	.06	9	191,771	38,913	4.93	4
	1979	439,251	857,725	.05	8	243,966	55,192	4.42	5
	1980	380,175	989,560	.04	8	285,175	61,578	4.63	6
FINAL VALUE	1978	775,328	885,643	.09	8	226,000	38,913	5.81	4
	1979	676,963	895,882	.08	8	543,963	60,618	8.97	6
	1980	586,190	950,198	.06	7	491,190	60,018	8.18	5
WEST									
INITIAL VALUE	1978	391,346	693,128	.06	5	391,346	68,770	5.69	5
	1979	105,511	326,490	.03	3	105,511	29,730	3.55	3
	1980	149,681	489,010	.03	4	144,681	32,482	4.45	3
FINAL VALUE	1978	809,316	837,528	.10	7	809,316	83,330	9.71	7
	1979	293,102	481,930	.06	5	292,102	44,020	6.64	5
	1980	318,268	656,610	.05	6	313,268	46,392	6.75	5

AVERAGE CLAIM SIZE IN DOLLARS				NUMBER OF CLAIMS PER $1 MILLION SALES				NUMBER OF CLAIMS PER 1,000 CUSTOMERS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	NO. OF CLAIMS	SALES $ (MILLION)	NO.	NO. OF FIRMS	NO. OF CLAIMS	CUSTOMERS (000)	NO.	NO. OF FIRMS
819,000	1,316	622	6	2,044	1,054.38	1.94	7	1,247	52,233	.024	5
1,033,000	2,147	481	7	3,018	1,238.35	2.44	9	1,953	64,299	.030	5
1,498,000	2,595	577	6	2,595	820.37	3.16	6	1,565	22,652	.069	3
1,767,000	1,593	1,109	6	1,593	842.71	1.89	6	1,348	50,080	.027	4
2,532,600	2,638	960	8	2,638	1,030.35	2.56	8	2,283	64,299	.036	5
1,479,000	2,226	664	6	2,226	482.04	4.62	6	1,863	13,402	.139	3
732,575	1,031	715	12	1,031	973.00	1.06	10	766	49,713	.015	7
461,430	1,008	458	11	1,008	1,123.61	.90	12	804	51,782	.016	8
487,559	1,146	425	12	1,146	1,385.29	.83	12	872	55,722	.016	8
930,681	1,160	802	12	1,160	973.00	1.19	10	895	49,713	.018	8
584,805	1,145	511	12	1,145	1,123.61	1.02	12	941	51,782	.018	8
608,512	1,270	479	11	1,270	1,375.13	.92	11	983	54,702	.018	7
510,044	839	608	9	839	922.37	.91	9	285	38,913	.007	4
439,251	586	750	8	586	875.72	.67	9	467	55,192	.008	5
380,175	573	663	8	573	989.56	.58	8	518	61,578	.008	6
775,328	858	904	8	858	885.64	.97	9	304	38,913	.008	4
676,963	737	919	8	737	895.88	.82	8	642	60,618	.011	5
586,190	656	894	7	656	950.20	.69	7	654	60,018	.011	5
391,346	620	631	5	730	764.78	.96	6	730	77,000	.009	6
105,511	228	463	3	335	400.75	.84	4	335	37,710	.009	4
149,681	186	805	4	293	567.23	.52	5	288	40,092	.007	4
715,316	762	939	6	762	765.88	.99	6	762	75,100	.010	6
216,102	345	626	5	345	407.67	.85	4	345	36,040	.010	4
225,268	292	771	5	292	578.39	.51	5	292	46,392	.006	4

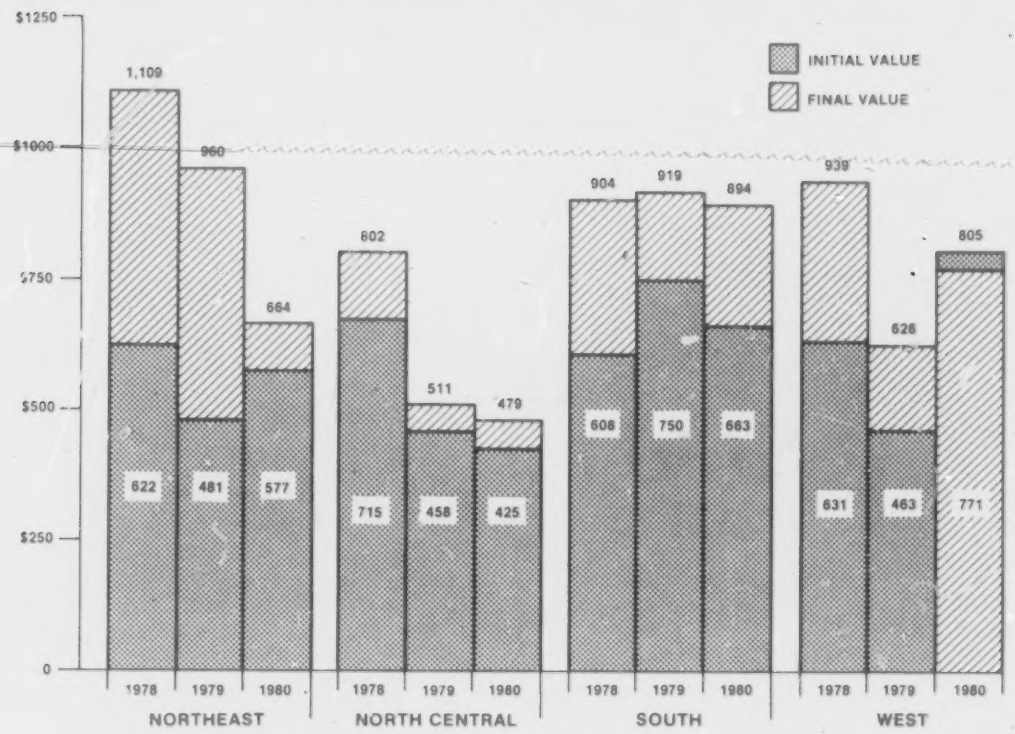
Claims Cost as a Percentage of Sales



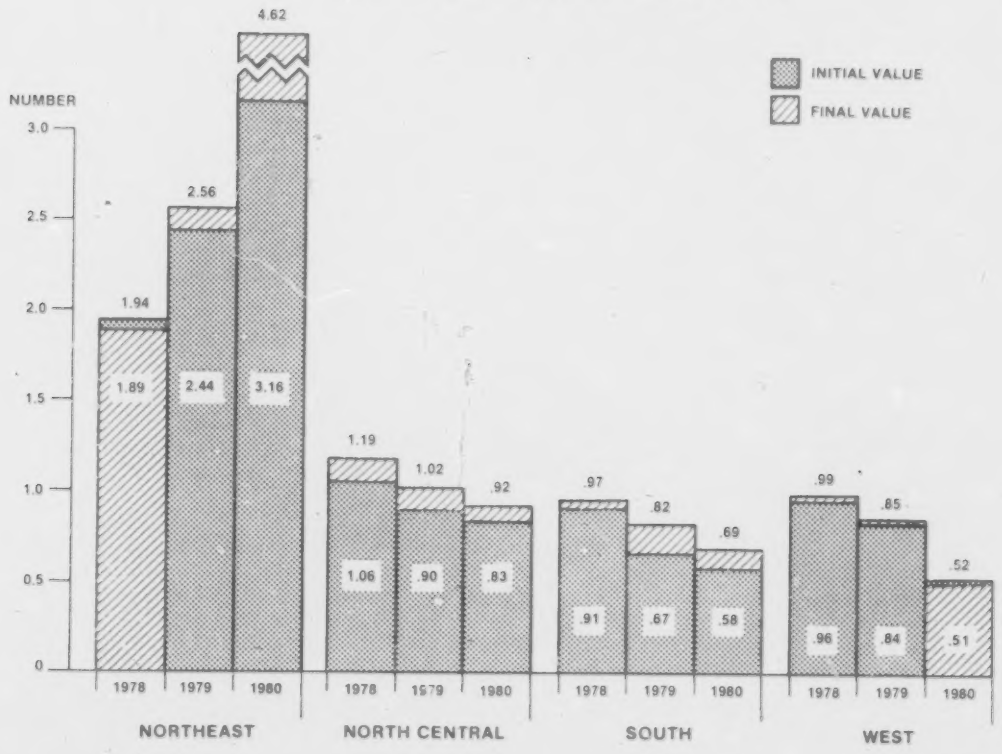
Claims Cost Per 1000 Customers



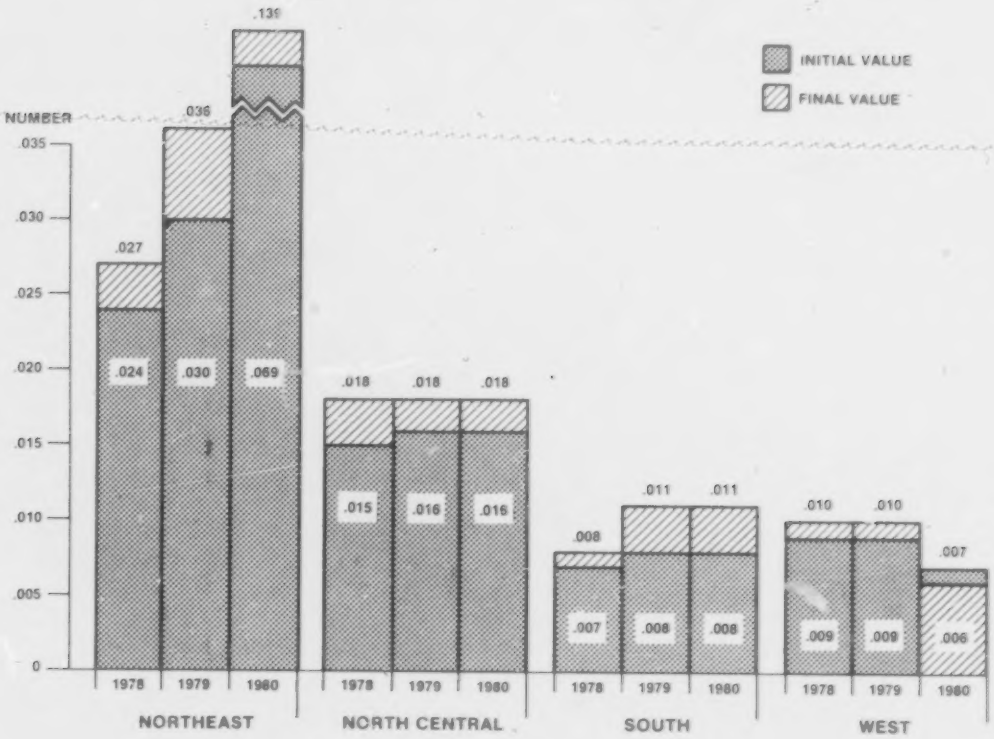
Average Claim Size in Dollars



Number of Claims Per $1 Million Sales



Number of Claims Per 1000 Customers



Public Liability - Stores

Independents

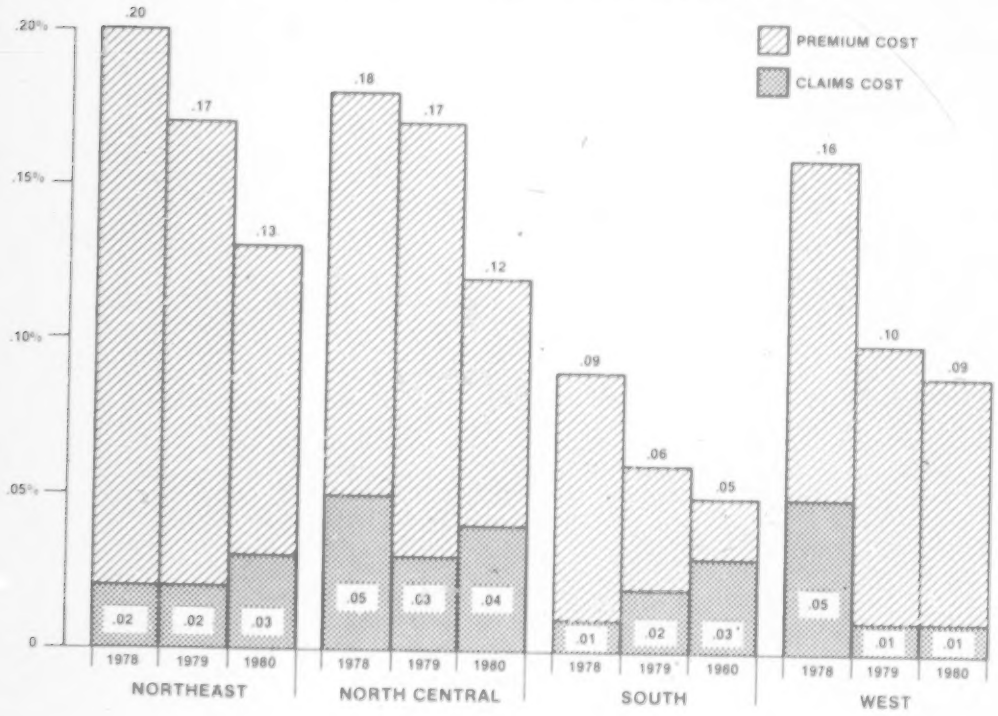
Public Liability – Stores

Independents

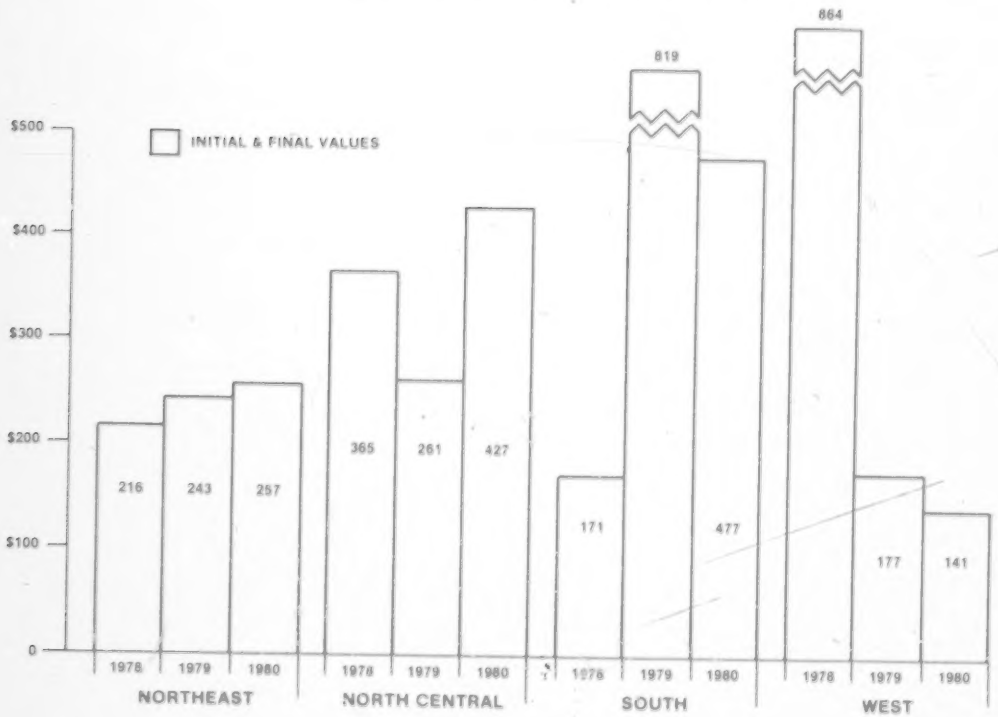
		CLAIMS COST AS A PERCENTAGE OF SALES				AVERAGE CLAIM SIZE IN DOLLARS			
		CLAIMS COST $	SALES $ (000)	%	NO. OF FIRMS	CLAIM COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS
NORTHEAST	1978	37,432	151,786	.02	12	37,432	216	173	12
INITIAL & FINAL VALUES	1979	39,055	166,535	.02	12	39,055	243	161	12
	1980	48,385	184,721	.03	9	48,385	257	188	13
NORTH CENTRAL	1978	18[illegible]771	341,317	.05	14	117,306	321	365	14
INITIAL & FINAL VALUES	1979	110,731	417,510	.03	10	91,731	351	261	13
	1980	231,707	555,742	.04	11	233,707	547	427	14
SOUTH	1978	9,231	102,740	.01	12	10,231	60	171	13
INITIAL & FINAL VALUES	1979	25,327	146,984	.02	11	84,342	103	819	11
	1980	51,474	195,100	.03	8	51,474	108	477	8
WEST	1978	33,828	64,667	.05	7	32,828	38	864	6
INITIAL & FINAL VALUES	1979	12,710	110,539	.01	6	12,710	72	177	7
	1980	15,934	123,532	.01	8	13,934	99	141	7

NUMBER OF CLAIMS PER $1 MILLION SALES				PREMIUM COSTS AS A PERCENTAGE OF SALES			
NO. OF CLAIMS	SALES $ (MILLION)	NO.	NO. OF FIRMS	PREMIUM COSTS $	SALES $ (000)	%	NO. OF. FIRMS
216	151.78	**1.42**	12	303,566	155,269	**.20**	12
244	169.08	**1.44**	12	290,713	171,275	**.17**	13
261	231.12	**1.13**	13	216,839	166,058	**.13**	12
319	302.88	**1.05**	11	607,250	341,317	**.18**	18
356	383.18	**.93**	12	725,488	437,427	**.17**	18
549	565.60	**.97**	15	760,028	610,011	**.12**	21
59	102.74	**.57**	12	93,245	101,690	**.09**	8
93	146.98	**.63**	11	79,325	130,680	**.06**	9
108	195.10	**.55**	8	98,944	180,230	**.05**	8
82	91.03	**.90**	7	155,655	96,967	**.16**	8
72	110.54	**.65**	7	112,045	110,537	**.10**	7
100	128.13	**.78**	8	118,231	134,924	**.09**	9

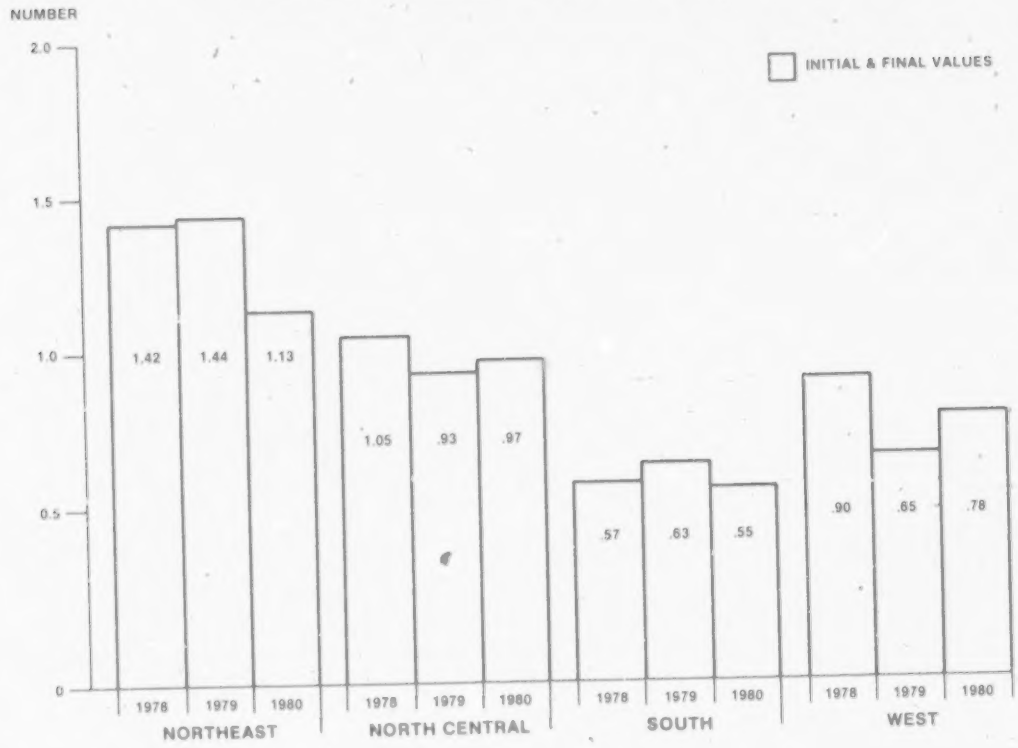
Claims/Premium Cost as a Percentage of Sales



Average Claim Size in Dollars



Number of Claims Per $1 Million Sales



Workers Compensation - Stores

Retailers were asked to identify the number and costs of reported employee accidents in the store. Respondents were told to include any employee accident resulting in a visit to a doctor, clinic or hospital, as well as any accident resulting in time off or death. Excluded were accidents where only in-house first aid or in-house nurse treatment was applied. Chains were asked for total payroll dollars which would include vacation and sick pay, but would exclude overtime excess, severance and bonus pay, as well as corporate officer payroll. Independents were asked for total store payroll dollars as reported to their insurance carriers. Chains were asked for number and costs of accidents as of the first year-end report (initial value) and the expected final number and costs (final value). Independent operators were asked for premium costs for workers compensation as well as number and costs of accidents reported.

The paragraphs below highlight information from the tables and graphs on the following pages.

Chains With Sales GREATER THAN $250 Million

From a cost standpoint, chains in the West experienced the largest costs for employee accidents in the store. Final values estimated 1980 claims costs at 1.73% of payroll dollars, with an average claim size of $1,634, and a cost of $29,737 per 200,000 hours. The costs to western chains take on increasing significance in that their accident frequency was even with most of the other regions. In number of claims per 200,000 hours, western chains posted a claim frequency just below those in the North Central region and slightly above those in the South.

Chains With Sales LESS THAN $250 Million

Based on number of hours, southern chains recorded the lowest cost and frequency for 1978-1980. Final values for 1980 were estimated at 16.75 claims and $8,219 per 200,000 hours. As a percentage of payroll, northeastern chains exhibited the largest frequency and associated costs. As was true for large chains in the West, western chains below $250 million in sales also recorded significant costs, although these costs declined from 1979 to 1980. Cost and frequency of accidents for North Central and northeastern chains rose in all categories from 1979 to 1980.

Independents

Again noteworthy for independent operators is the disparity between actual claims costs and premium costs, in many cases premium costs being a full percentage point higher. The relevant graph on the following page also demonstrates how a jump in actual claims costs in one year effects an increase in premium payments for the following year. Western operators recorded the largest claim sizes, hitting $1,944 in 1980, and representing the only region where claim amounts did not drop from 1979 to 1980. Yet equally important, the number of claims per $100,000 payroll for western independents was lower than the three other regions.

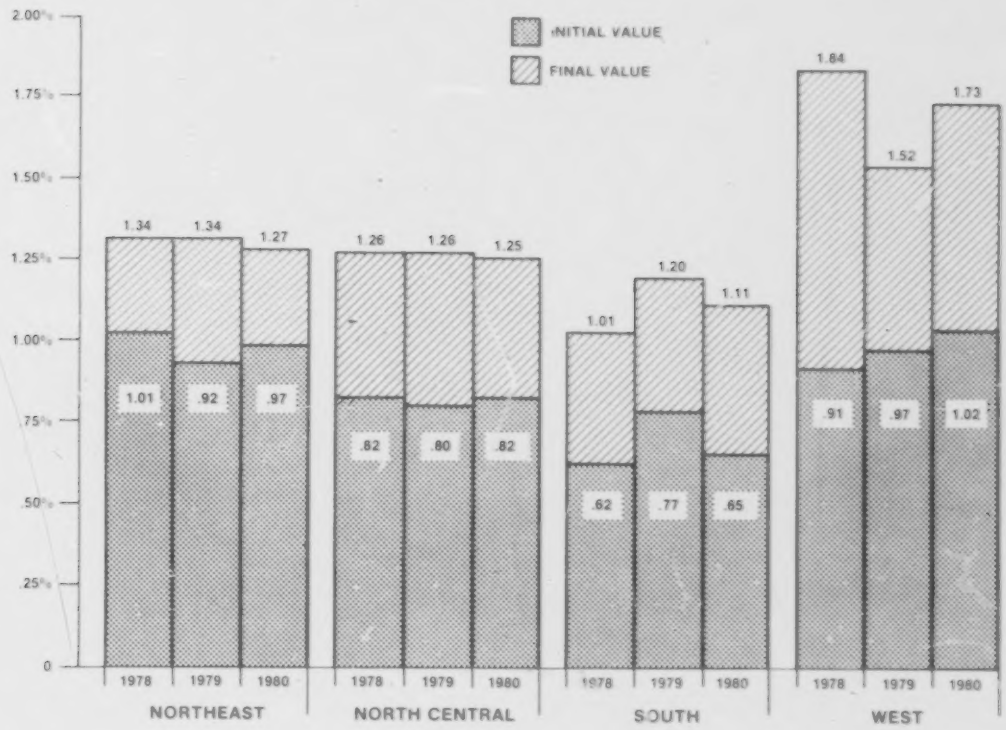
Workers Compensation – Stores

Chains With Sales Greater Than $250 Million

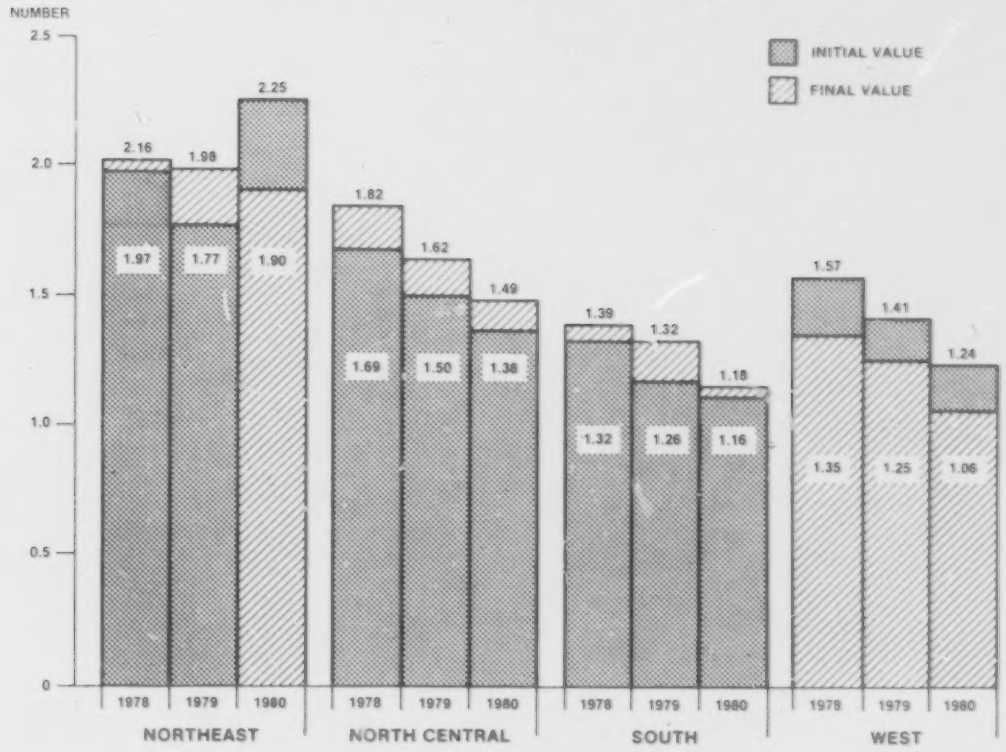
		CLAIMS COST AS A PERCENTAGE OF PAYROLL DOLLARS				NUMBER OF CLAIMS PER $100,000 PAYROLL			
		CLAIMS COST $	PAYROLL $ (000)	%	NO. OF FIRMS	PAYROLL $ (100,000)	NO. OF CLAIMS	NO.	NO. OF FIRMS
NORTHEAST									
INITIAL VALUE	1978	3,354,252	333,594	1.01	7	3,335.94	6,571	1.97	7
	1979	3,742,580	408,703	.92	8	4,446.13	7,874	1.77	9
	1980	4,884,327	501,679	.97	10	4,426.69	9,948	2.25	11
FINAL VALUE	1978	4,183,000	312,133	1.34	7	3,121.33	6,755	2.16	7
	1979	5,129,000	382,291	1.34	7	4,182.01	8,264	1.98	8
	1980	6,023,000	472,539	1.27	9	5,135.29	9,750	1.90	10
NORTH CENTRAL									
INITIAL VALUE	1978	5,246,000	638,652	.82	10	6,386.52	10,820	1.69	10
	1979	6,529,625	812,201	.80	12	8,122.01	12,178	1.50	12
	1980	7,223,609	885,116	.82	13	8,851.15	12,237	1.38	13
FINAL VALUE	1978	8,024,000	638,652	1.26	10	6,386.52	11,619	1.82	10
	1979	10,233,661	812,201	1.26	12	8,122.01	13,143	1.62	12
	1980	11,078,235	885,116	1.25	13	8,851.16	13,212	1.49	12
SOUTH									
INITIAL VALUE	1978	3,666,127	591,724	.62	8	5,917.24	7,834	1.32	6
	1979	5,545,595	716,559	.77	8	7,165.59	9,012	1.26	8
	1980	5,105,262	791,462	.65	7	7,914.62	9,212	1.16	8
FINAL VALUE	1978	5,961,382	591,724	1.01	6	5,917.24	8,198	1.39	6
	1979	8,570,488	716,559	1.20	8	7,165.59	9,461	1.32	8
	1980	9,073,089	816,252	1.11	8	8,162.52	9,595	1.18	8
WEST									
INITIAL VALUE	1978	7,437,757	820,331	.91	4	8,501.88	13,307	1.57	5
	1979	9,121,392	938,416	.97	5	9,703.66	13,665	1.41	6
	1980	10,726,636	1,047,815	1.02	5	10,811.65	13,397	1.24	6
FINAL VALUE	1978	14,969,342	811,663	1.84	3	7,818.18	10,583	1.35	4
	1979	14,132,502	930,076	1.52	5	8,981.25	11,225	1.25	4
	1980	17,923,520	1,036,000	1.73	5	10,026.50	10,590	1.06	4

AVERAGE CLAIM SIZE IN DOLLARS				NUMBER OF CLAIMS PER 200,000 HOURS				CLAIMS COST PER 200,000 HOURS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	NO. OF CLAIMS	HOURS (200,000)	NO.	NO. OF FIRMS	CLAIMS COST $	HOURS (200,000)	$	NO. OF FIRMS
6,067,432	11,246	**540**	9	9,239	453.27	**20.38**	7	5,105,752	453.26	**11,264**	7
6,789,001	11,533	**589**	10	9,480	469.41	**20.20**	8	5,221,480	469.40	**11,124**	8
7,975,913	13,296	**600**	12	11,481	513.34	**22.37**	11	6,781,627	513.34	**13,210**	11
4,183,000	6,755	**619**	9	9,518	436.63	**21.80**	7	7,199,000	436.63	**16,488**	7
10,264,500	12,117	**847**	9	9,962	449.55	**22.16**	7	8,299,500	449.53	**18,462**	7
11,059,600	13,352	**828**	11	11,477	492.09	**23.32**	10	9,709,000	492.09	**19,730**	10
6,559,189	13,469	**487**	12	10,101	404.00	**25.00**	9	4,786,400	403.76	**11,855**	9
7,740,425	13,557	**571**	13	13,557	636.38	**21.30**	13	7,740,425	626.38	**12,357**	13
8,386,309	13,329	**629**	13	13,329	621.07	**21.46**	13	8,386,309	621.07	**13,503**	13
10,188,096	14,396	**708**	11	10,523	404.00	**26.05**	9	7,774,000	404.00	**19,243**	9
12,529,561	14,617	**857**	13	14,617	626.38	**23.33**	13	12,529,561	626.38	**20,003**	13
12,680,435	14,397	**881**	13	14,397	621.07	**23.18**	13	12,690,435	621.07	**20,433**	13
4,538,027	9,950	**456**	7	9,531	646.82	**14.74**	6	4,458,027	646.83	**6,892**	6
6,808,595	11,047	**616**	9	10,308	697.62	**14.78**	7	6,475,595	697.62	**9,282**	7
6,421,262	11,117	**578**	8	10,810	712.48	**15.17**	7	6,238,262	712.49	**8,756**	7
7,947,282	10,462	**760**	7	10,042	646.83	**15.52**	6	7,876,292	646.83	**12,176**	6
10,606,808	11,636	**912**	9	10,812	697.62	**15.50**	7	10,221,888	697.61	**14,652**	7
9,073,089	9,595	**946**	8	10,859	712.48	**15.24**	7	10,501,689	712.48	**14,740**	7
8,354,759	13,314	**628**	5	12,136	544.14	**22.30**	4	7,454,528	525.39	**14,182**	3
9,982,392	13,632	**732**	6	12,065	574.18	**21.01**	5	8,420,165	556.5	**15,131**	4
11,610,630	13,412	**866**	6	12,020	621.42	**19.34**	6	10,599,822	604.32	**17,540**	5
14,948,920	11,152	**1,340**	5	9,707	525.39	**18.48**	3	15,600,373	470.00	**33,192**	3
14,468,813	11,778	**1,228**	5	9,722	556.18	**17.48**	4	14,364,071	574.17	**25,017**	4
18,475,919	11,183	**1,634**	5	9,018	574.91	**15.69**	4	17,604,423	592.01	**29,737**	5

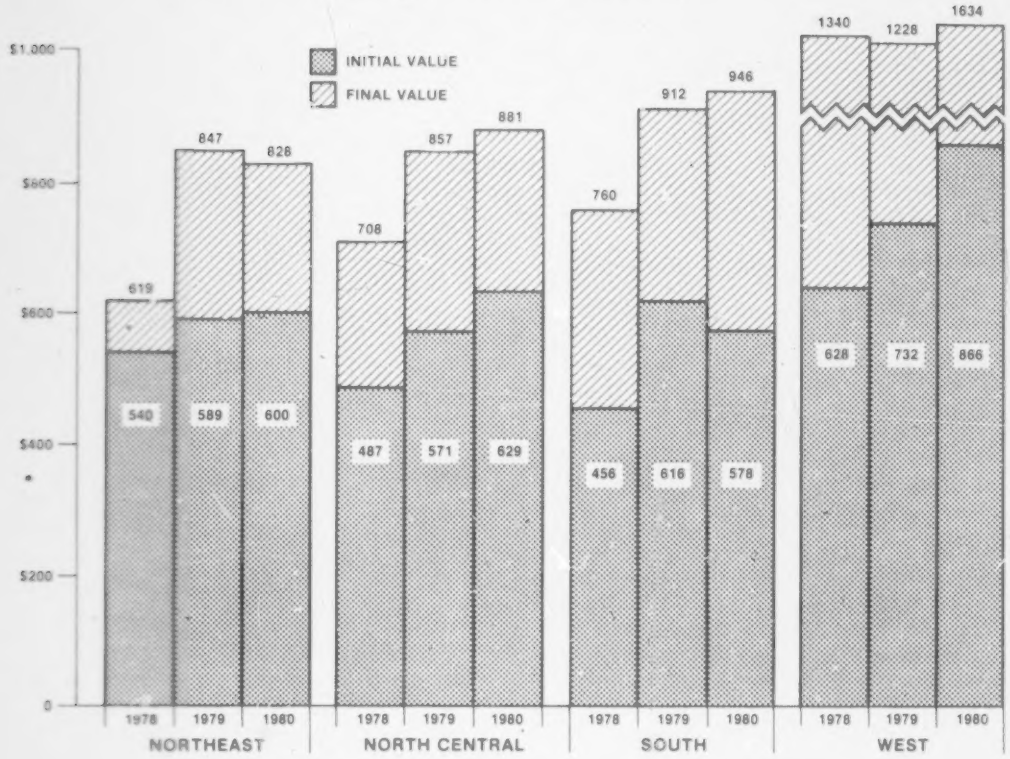
Claims Cost as a Percentage of Payroll



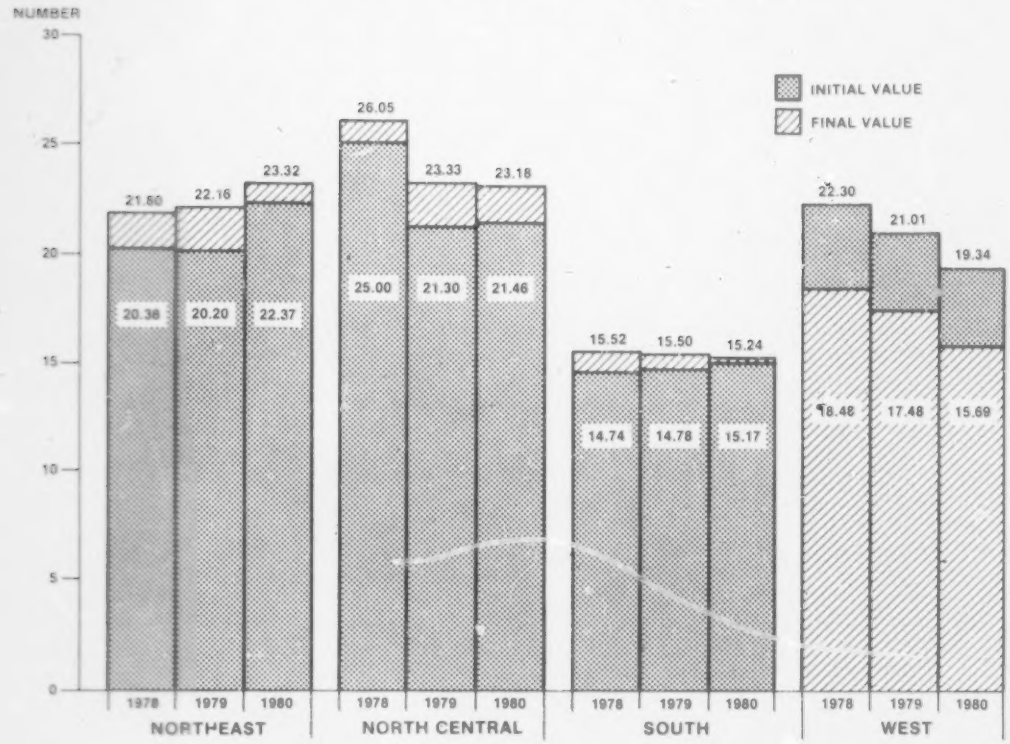
Number of Claims Per $100,000 Payroll

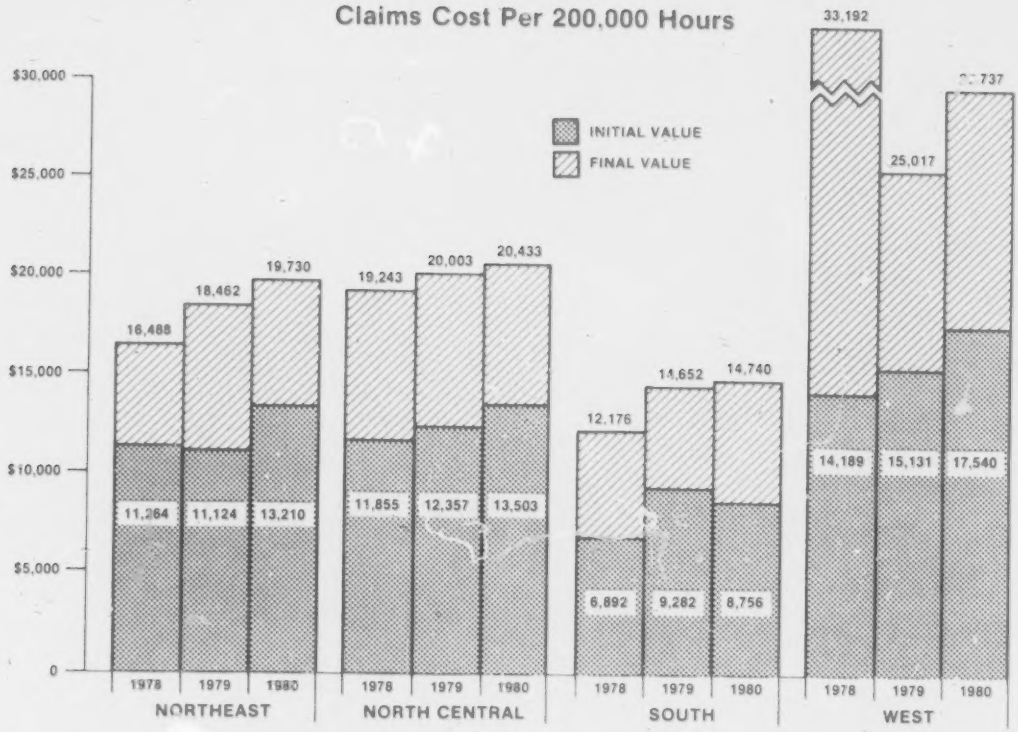


Average Claim Size in Dollars



Number of Claims Per 200,000 Hours




Claims Cost Per 200,000 Hours
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
0
INITIAL VALUE
FINAL VALUE
16,488
18,462
19,730
11,264
11,124
13,210
19,243
20,003
20,433
11,855
12,357
13,503
12,176
14,652
14,740
6,892
9,282
8,756
33,192
25,017
14,189
15,131
17,540
1978
1979
1980
NORTHEAST
NORTH CENTRAL
SOUTH
WEST

Workers Compensation – Stores

Chains With Sales Less Than $250 Million

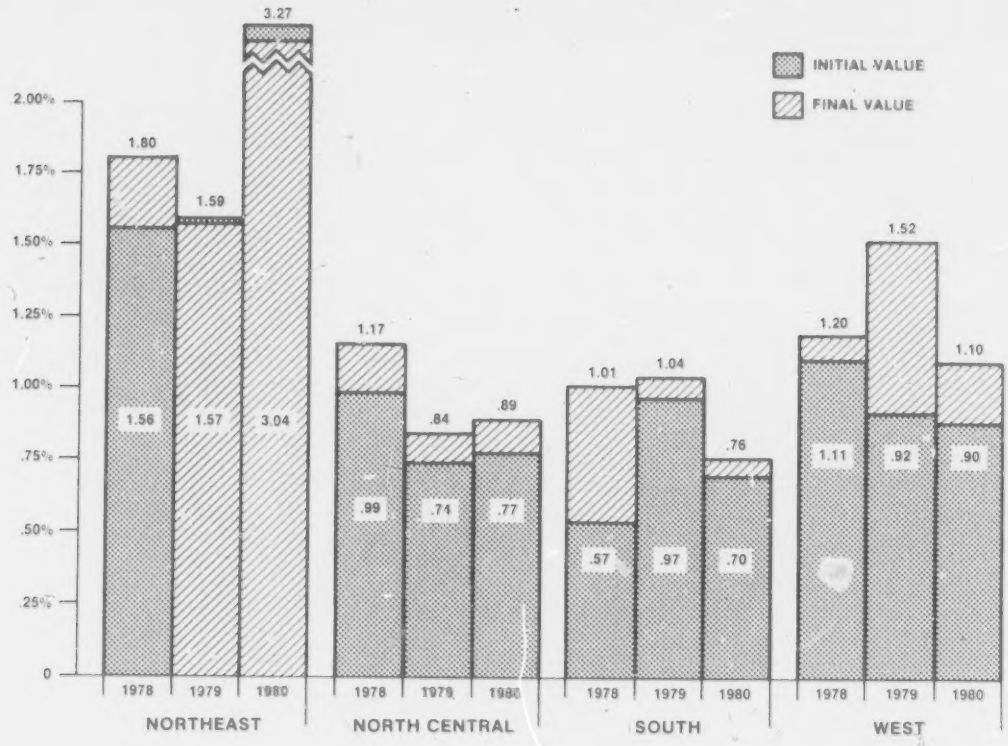
Workers Compensation – Stores

Chains With Sales Less Than $250 Million

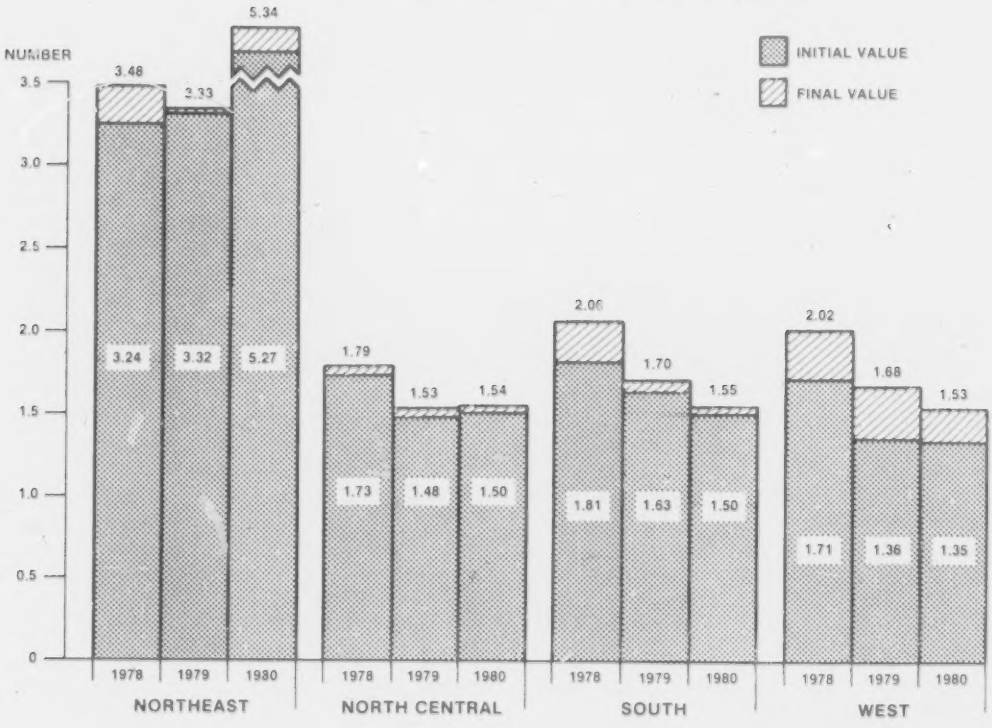
		CLAIMS COST AS A PERCENTAGE OF PAYROLL DOLLARS				NUMBER OF CLAIMS PER $100,000 PAYROLL			
		CLAIMS COST $	PAYROLL $ (000)	%	NO. OF FIRMS	PAYROLL $ (100,000)	NO. OF CLAIMS	NO.	NO. OF FIRMS
NORTHEAST									
INITIAL VALUE	1978	1,247,000	79,783	1.56	6	1,117.63	3,617	3.24	7
	1979	1,318,000	82,705	1.59	6	827.05	2,751	3.32	6
	1980	1,679,000	51,324	3.27	5	513.24	2,709	5.27	5
FINAL VALUE	1978	1,697,000	94,456	1.80	7	777.02	2,701	3.48	7
	1979	1,599,000	101,977	1.57	7	827.05	2,755	3.33	6
*INSUFFICIENT DATA	1980	2,224,000	73,204	3.04	6	513.24	2,743	5.34	5
NORTH CENTRAL									
INITIAL VALUE	1978	758,382	76,874	.99	10	821.74	1,419	1.73	11
	1979	788,612	106,724	.74	12	1,067.24	1,579	1.48	12
	1980	988,528	128,194	.77	12	1,281.94	1,925	1.50	12
FINAL VALUE	1978	964,797	32,174	1.17	11	821.74	1,474	1.79	11
	1979	900,029	106,724	.84	12	1,067.24	1,636	1.53	12
	1980	1,139,105	127,650	.89	11	1,276.50	1,968	1.54	11
SOUTH									
INITIAL VALUE	1978	400,373	70,208	.57	9	702.07	1,270	1.81	9
	1979	608,353	62,820	.97	8	628.20	1,022	1.63	8
	1980	505,592	72,146	.70	8	721.46	1,083	1.50	8
FINAL VALUE	1978	681,522	67,544	1.01	9	675.44	1,393	2.06	9
	1979	699,619	67,588	1.04	9	675.85	1,146	1.70	9
	1980	549,549	72,146	.76	8	721.46	1,120	1.55	8
WEST									
INITIAL VALUE	1978	1,036,759	93,704	1.11	6	915.03	1,561	1.71	5
	1979	1,068,409	116,213	.92	6	1,135.23	1,547	1.36	5
	1980	1,073,416	119,164	.90	5	1,191.64	1,607	1.35	5
FINAL VALUE	1978	1,198,701	100,034	1.20	7	737.34	1,486	2.02	7
	1979	1,877,524	123,253	1.52	7	861.03	1,449	1.68	5
	1980	1,397,025	127,074	1.10	6	849.54	1,297	1.59	5

AVERAGE CLAIM SIZE IN DOLLARS				NUMBER OF CLAIMS PER 200,000 HOURS				CLAIMS COST PER 200,000 HOURS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	NO. OF CLAIMS	HOURS (200,000)	NO.	NO. OF FIRMS	CLAIMS COST $	HOURS (200,000)	$	NO. OF FIRMS
1,247,000	2,890	**431**	6	2,890	72.75	**39.73**	6	1,247,000	72.75	**17,140**	6
1,318,000	2,751	**479**	6	2,751	72.75	**37.81**	5	1,318,000	72.74	**18,120**	6
1,679,000	2,709	**620**	5	2,507	43.46	**57.68**	4	*	*	*	*
1,417,000	2,701	**525**	6	2,701	70.62	**38.25**	6	1,417,000	70.63	**20,062**	6
1,487,000	2,755	**540**	6	2,755	72.75	**37.87**	6	1,487,000	72.74	**20,442**	6
2,054,000	2,743	**749**	5	2,541	43.47	**58.45**	4	*	*	*	*
779,321	1,479	**527**	11	1,361	49.44	**27.53**	8	733,579	45.43	**16,147**	7
788,612	1,579	**499**	12	1,529	55.23	**27.68**	9	749,618	55.23	**13,573**	9
988,528	1,925	**514**	12	1,695	58.28	**29.08**	8	886,397	58.28	**15,209**	8
985,790	1,594	**618**	12	1,416	49.44	**28.64**	8	909,479	45.50	**19,989**	8
900,029	1,636	**550**	12	1,586	55.23	**28.71**	9	840,018	55.23	**15,210**	9
1,139,105	1,968	**579**	11	1,765	58.28	**30.28**	8	993,572	58.28	**17,048**	8
400,373	1,270	**315**	9	952	57.21	**16.64**	8	316,373	57.21	**5,530**	8
608,353	1,022	**595**	8	1,022	63.20	**16.17**	8	608,353	62.53	**9,729**	8
505,592	1,083	**467**	8	1,083	66.86	**16.19**	8	505,592	66.86	**7,562**	8
681,522	1,393	**489**	9	994	53.83	**18.46**	7	565,522	53.83	**10,506**	7
699,619	1,176	**595**	9	1,146	66.45	**17.24**	9	698,119	66.45	**10,506**	8
549,549	1,120	**491**	8	1,120	66.86	**16.75**	8	549,549	66.86	**8,219**	8
1,008,596	1,561	**646**	5	1,561	71.37	**21.87**	5	1,036,754	77.08	**13,450**	5
1,005,857	1,547	**650**	6	1,547	81.29	**19.03**	6	1,068,409	83.09	**12,858**	6
1,073,416	1,607	**668**	5	1,450	70.27	**20.63**	3	844,394	70.27	**12,016**	3
858,701	1,486	**578**	6	1,486	61.62	**24.11**	6	1,198,701	77.08	**15,551**	7
1,021,524	1,449	**705**	5	1,449	67.29	**21.53**	5	1,877,524	87.44	**21,472**	5
638,025	1,297	**492**	5	1,140	54.52	**20.91**	3	1,186,025	74.72	**15,873**	4

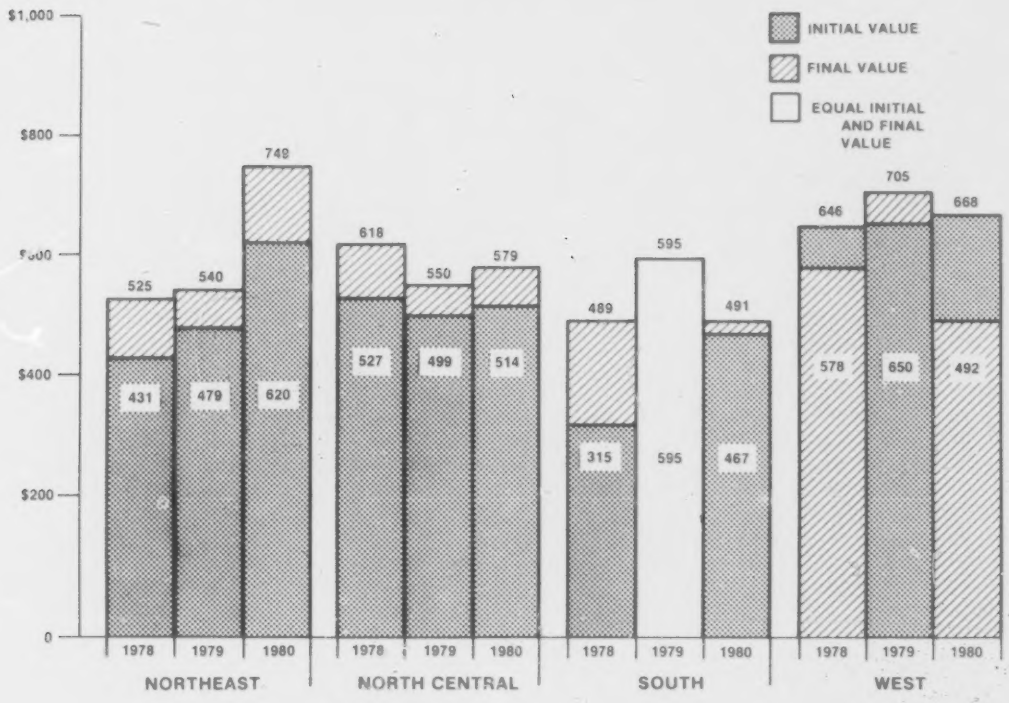
Claims Cost as a Percentage of Payroll



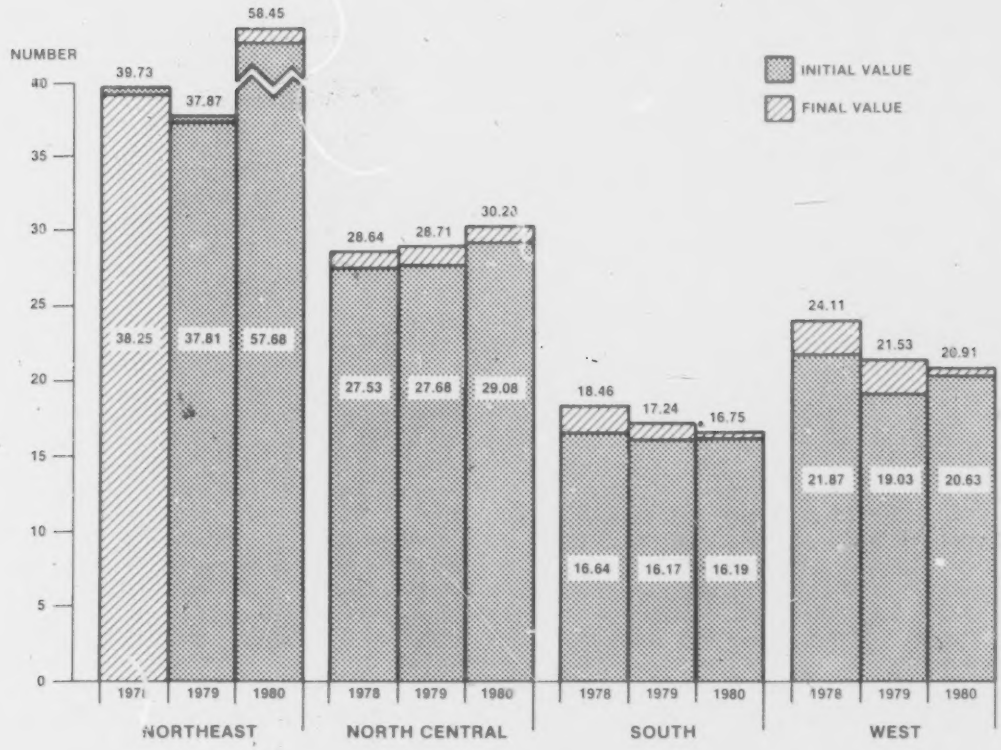
Number of Claims Per $100,000 Payroll



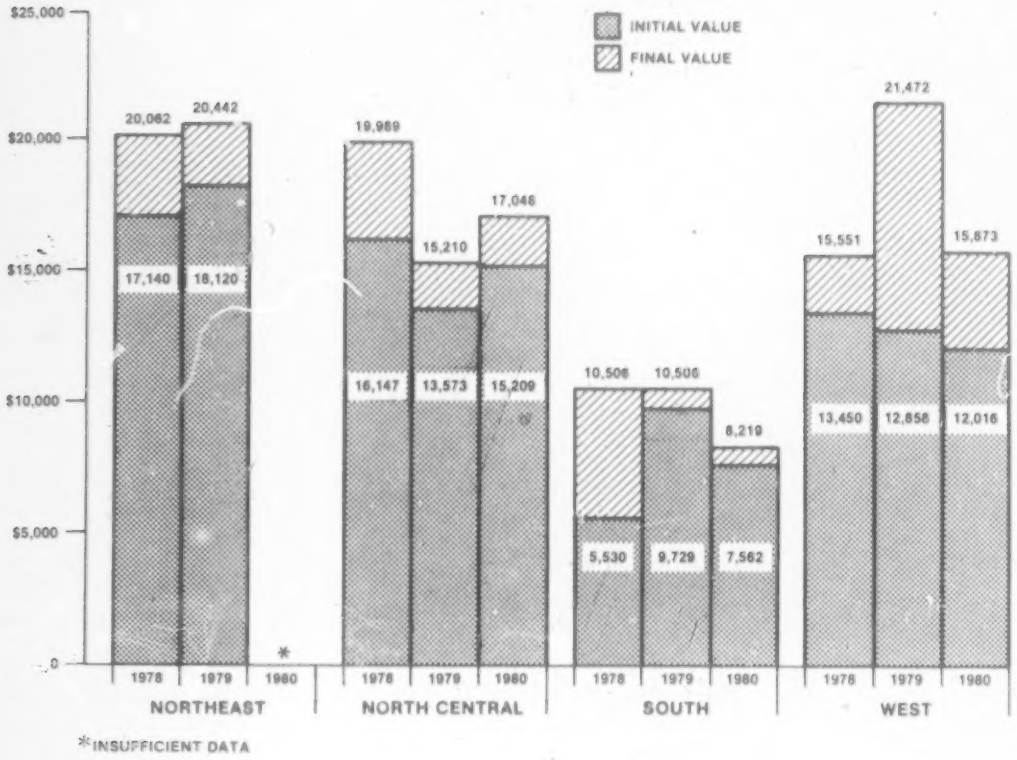
Average Claim Size in Dollars



Number of Claims Per 200,000 Hours



Claims Cost Per 200,000 Hours



*INSUFFICIENT DATA

Workers Compensation - Stores

Independents

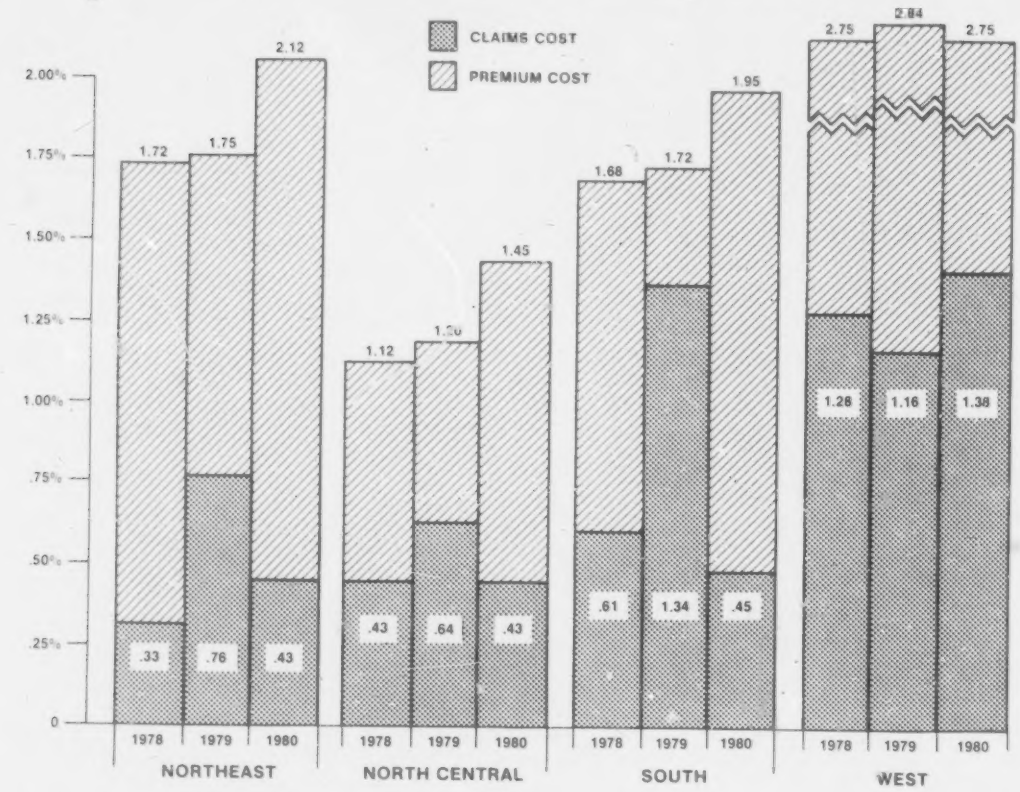
Workers Compensation – Stores

Independents

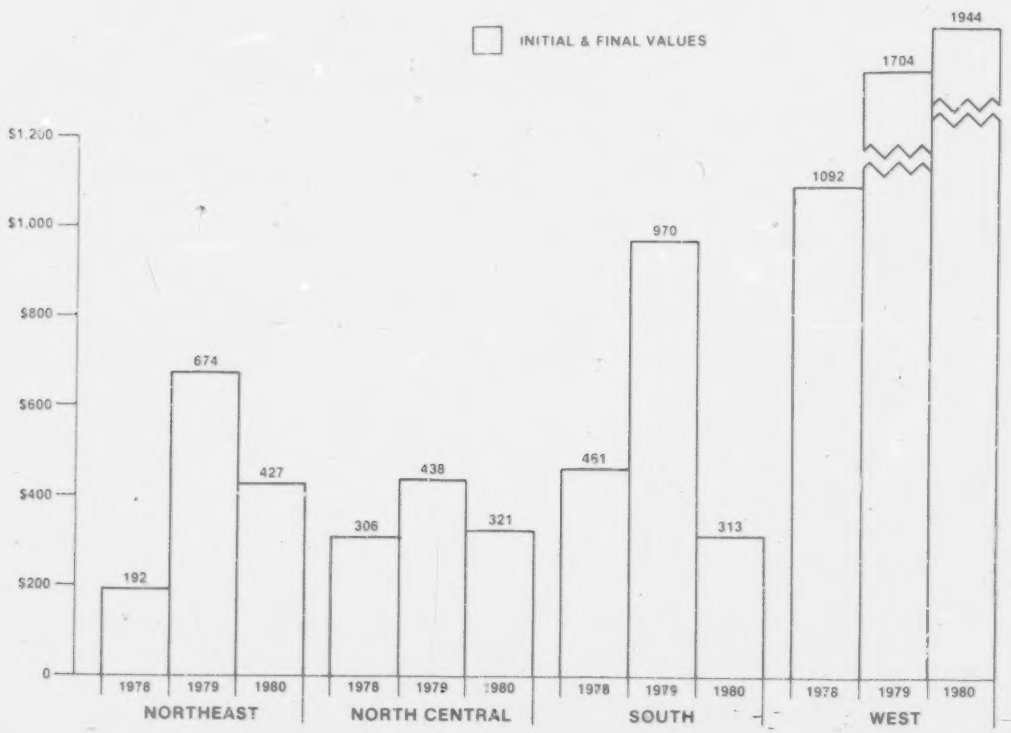
		CLAIMS COST AS A PERCENTAGE OF PAYROLL DOLLARS				NUMBER OF CLAIMS PER $100,000 PAYROLL			
		CLAIMS COST $	PAYROLL $ (000)	%	NO. OF FIRMS	PAYROLL $ (100,000)	NO. OF CLAIMS	NO.	NO. OF FIRMS
NORTHEAST	1978	59,007	17,699	.33	8	127.00	304	2.39	9
INITIAL & FINAL VALUES	1979	136,212	17,876	.76	12	223.20	256	1.15	13
	1980	57,261	13,392	.43	6	134.97	137	1.02	6
NORTH CENTRAL	1978	142,812	33,200	.43	16	331.99	468	1.41	16
INITIAL & FINAL VALUES	1979	239,990	37,357	.64	16	373.56	548	1.47	16
	1980	193,342	44,624	.43	14	455.33	608	1.33	17
SOUTH	1978	68,226	11,101	.61	8	111.01	148	1.33	8
INITIAL & FINAL VALUES	1979	191,124	14,275	1.34	9	142.75	197	1.38	9
	1980	68,600	15,085	.45	8	150.85	219	1.45	9
WEST	1978	121,189	9,466	1.28	8	94.66	111	1.17	8
INITIAL & FINAL VALUES	1979	131,051	11,296	1.16	8	112.96	67	.59	8
	1980	176,762	12,828	1.38	8	129.09	90	.70	9

AVERAGE CLAIM SIZE IN DOLLARS				PREMIUM COSTS AS A PERCENTAGE OF PAYROLL DOLLARS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	PREMIUM COSTS $	PAYROLL $ (000)	%	NO. OF FIRMS
59,007	307	**192**	8	229,902	13,333	**1.72**	10
136,212	202	**674**	12	416,067	23,722	**1.75**	13
57,261	134	**427**	6	341,019	16,096	**2.12**	10
143,812	470	**306**	17	278,800	24,950	**1.12**	16
259,090	548	**438**	16	333,527	27,759	**1.20**	17
193,342	603	**321**	16	481,926	33,080	**1.45**	17
68,226	148	**461**	8	181,943	10,851	**1.68**	7
191,124	197	**970**	9	240,328	13,974	**1.72**	8
68,600	219	**313**	9	347,376	17,775	**1.95**	11
121,189	111	**1,092**	8	254,198	9,226	**2.75**	7
138,051	81	**1,704**	9	310,397	10,986	**2.84**	7
182,762	94	**1,944**	9	345,902	12,558	**2.75**	8

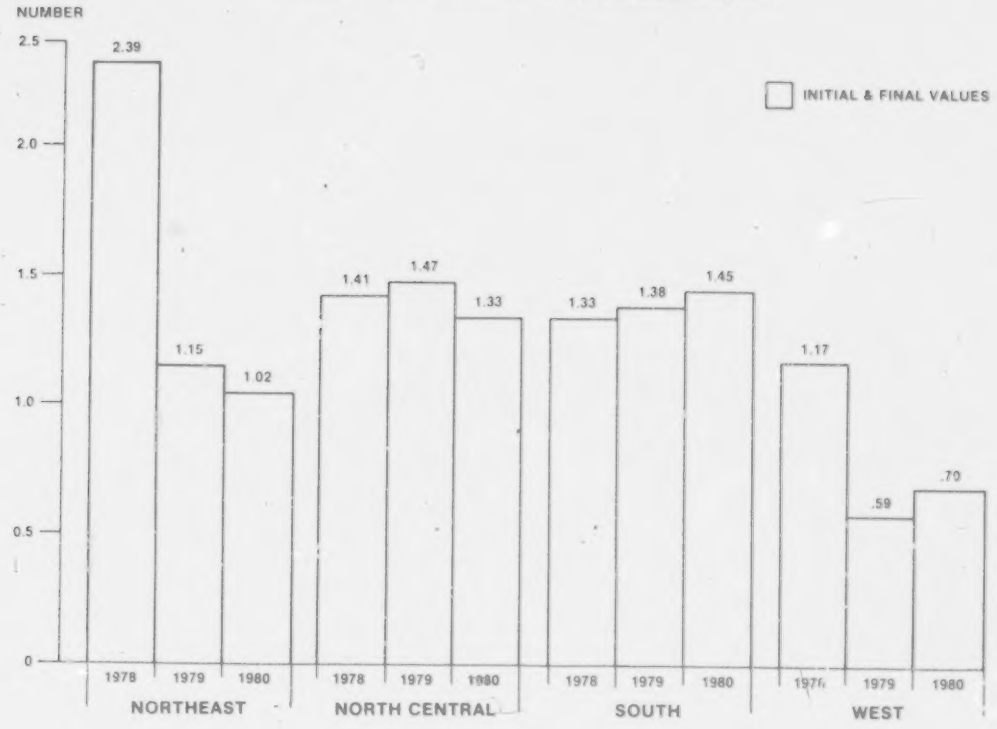
Claims/Premium Cost as a Percentage of Payroll



Average Claim Size in Dollars



Number of Claims Per $100,000 Payroll



Workers Compensation – Distribution Centers

Chains and wholesalers were asked for the number and costs of employee accidents in the distribution center. Accidents reported were to include those resulting in a visit to a doctor, clinic or hospital, as well as those resulting in time off or death. Excluded were accidents where only in-house first aid or in-house nurse treatment was applied. Total payroll dollars in this survey included vacation and sick pay, but excluded overtime excess, severance and bonus pay, and corporate officer payroll. Companies were asked for their total insured and self-insured losses incurred in the distribution center (paid losses, loss expenses and reserves). In addition, companies were asked for the number and costs of accidents as of the first year-end report (initial value) and the expected final number and costs (final value).

The accompanying paragraphs summarize some of the data presented on the tables and graphs on the following pages.

Chains/Wholesalers With Sales GREATER THAN $250 Million

By and large, western companies experienced the greatest cost and frequency of employee accidents in the distribution center. For companies in both the West and the South, average claim size increased all three years. Although only slightly in some instances, North Central companies represented the only region where costs and frequency declined from 1979 to 1980 in all five measuring categories.

Chains/Wholesalers With Sales LESS THAN $250 Million

As a percentage of payroll, claims costs for all these companies were appreciably lower than the larger companies. These costs are rising in the southern states, but declining in the North Central and western regions. The South reported the highest average claim size, with a 1980 estimated final value of $984, compared to $782 in the North Central region and $780 in the West. Where the number of responses resulted in insufficient data, notably in the Northeast, this information was not reported.

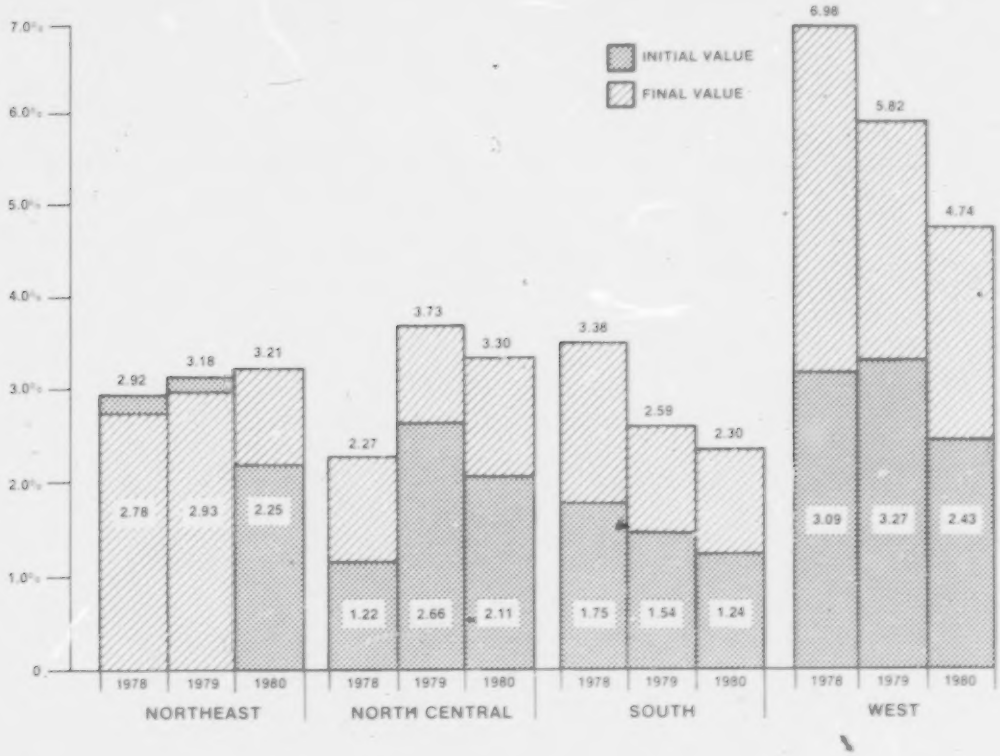
Workers Compensation – Distribution Centers

Chains/Wholesalers With Sales Greater Than $250 Million

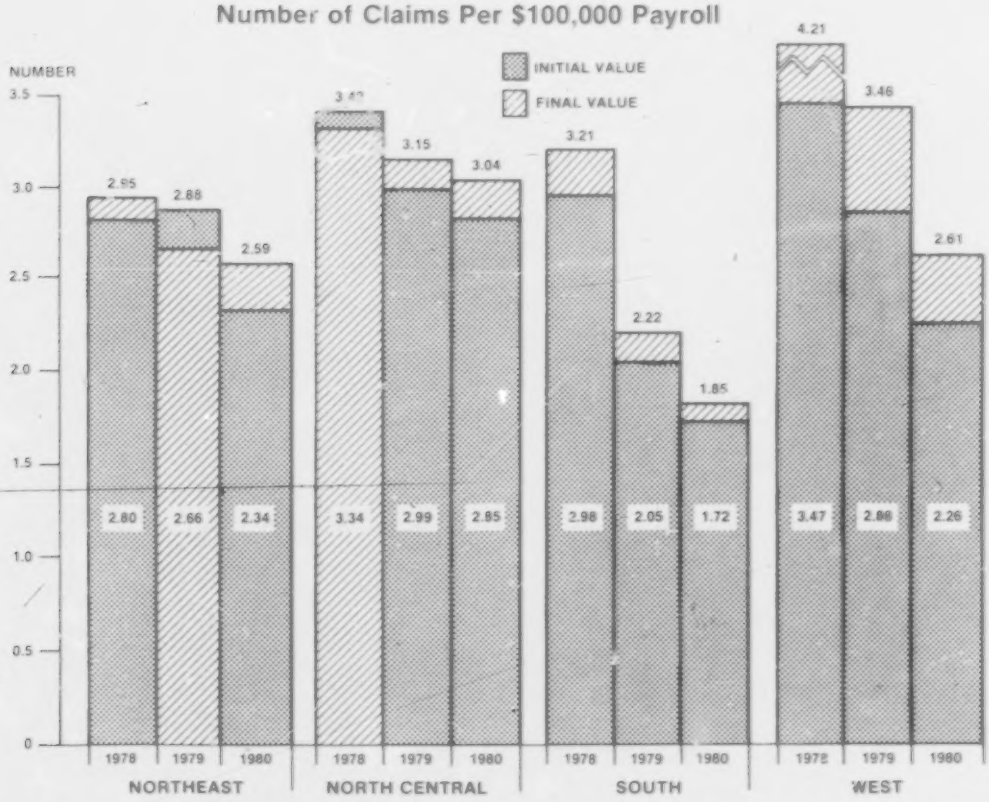
		CLAIMS COST AS A PERCENTAGE OF PAYROLL DOLLARS				NUMBER OF CLAIMS PER $100,000 PAYROLL			
		CLAIMS COST $	PAYROLL $ (000)	%	NO. OF FIRMS	PAYROLL $ (100,000)	NO. OF CLAIMS	NO.	NO. OF FIRMS
NORTHEAST									
INITIAL VALUE	1978	995,000	34,040	**2.92**	4	340.40	953	**2.80**	4
	1979	1,306,000	41,120	**3.18**	5	411.20	1,186	**2.88**	5
	1980	1,525,051	67,860	**2.25**	8	732.20	1,712	**2.34**	9
FINAL VALUE	1978	1,263,389	45,499	**2.78**	5	454.99	1,340	**2.95**	5
	1979	1,625,018	55,380	**2.93**	6	553.80	1,472	**2.66**	6
	1980	1,599,000	49,745	**3.21**	7	732.20	1,893	**2.59**	9
NORTH CENTRAL									
INITIAL VALUE	1978	675,092	55,446	**1.22**	7	554.46	1,897	**3.42**	7
	1979	1,820,968	68,373	**2.66**	9	683.73	2,042	**2.99**	9
	1980	1,534,722	72,777	**2.11**	9	727.77	2,075	**2.85**	9
FINAL VALUE	1978	1,028,000	45,326	**2.27**	6	453.26	1,516	**3.34**	6
	1979	2,549,049	68,373	**3.73**	9	683.73	2,156	**3.15**	9
	1980	2,402,564	72,777	**3.30**	9	727.77	2,212	**3.04**	9
SOUTH									
INITIAL VALUE	1978	1,901,784	108,901	**1.75**	5	1,089.01	3,246	**2.98**	5
	1979	2,962,431	191,938	**1.54**	6	1,919.38	3,942	**2.05**	6
	1980	2,623,056	211,906	**1.24**	6	2,119.06	3,640	**1.72**	6
FINAL VALUE	1978	3,676,685	108,901	**3.38**	5	1,089.01	3,491	**3.21**	5
	1979	4,963,249	191,938	**2.59**	6	1,919.38	4,267	**2.22**	6
	1980	4,881,283	211,906	**2.30**	6	2,119.06	3,923	**1.85**	6
WEST									
INITIAL VALUE	1978	4,126,252	133,729	**3.09**	5	1,337.29	4,640	**3.47**	5
	1979	4,766,053	145,808	**3.27**	5	1,458.08	4,195	**2.88**	5
	1980	3,912,198	161,301	**2.43**	5	1,613.01	3,639	**2.26**	5
FINAL VALUE	1978	7,997,525	114,496	**6.98**	4	1,144.96	4,821	**4.21**	4
	1979	7,268,907	124,986	**5.82**	5	1,249.86	4,324	**3.46**	5
	1980	6,518,048	137,548	**4.74**	5	1,375.48	3,592	**2.61**	5

AVERAGE CLAIM SIZE IN DOLLARS				NUMBER OF CLAIMS PER 200,000 HOURS				CLAIMS COST PER 200,000 HOURS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	NO. OF CLAIMS	HOURS (200,000)	NO.	NO. OF FIRMS	CLAIMS COST $	HOURS (200,000)	$	NO. OF FIRMS
2,546,390	2,562	**994**	7	1,764	39.08	**45.14**	5	1,719,800	39.08	**44,007**	5
3,312,496	2,346	**1,412**	8	1,604	38.60	**41.55**	5	2,336,100	38.60	**60,521**	6
2,528,851	1,987	**1,273**	10	1,987	57.05	**34.83**	10	2,528,851	57.05	**44,327**	10
3,683,289	2,994	**1,230**	8	2,196	50.78	**43.25**	6	2,780,289	50.78	**54,752**	7
4,451,018	2,654	**1,677**	9	1,910	52.95	**36.07**	7	3,435,018	52.95	**64,873**	7
3,806,000	2,694	**1,413**	10	2,189	57.05	**38.37**	10	3,181,000	42.03	**75,684**	9
1,309,794	2,726	**480**	11	2,160	42.28	**51.09**	8	960,792	42.28	**22,725**	8
2,216,768	2,421	**916**	11	2,421	54.90	**44.10**	11	2,216,768	54.90	**40,378**	11
2,009,522	2,394	**839**	11	2,394	56.14	**42.54**	11	2,009,522	56.14	**35,795**	11
2,029,215	2,384	**851**	10	1,770	41.33	**42.82**	7	1,602,300	41.33	**38,768**	7
3,226,549	2,551	**1,265**	11	2,551	54.90	**46.47**	11	3,226,549	54.90	**58,771**	11
3,130,864	2,545	**1,230**	11	2,545	56.14	**45.33**	11	3,130,864	56.14	**55,769**	11
2,254,284	3,761	**599**	6	3,761	83.47	**45.06**	6	2,254,284	83.47	**27,007**	6
3,350,931	4,347	**771**	7	3,779	83.96	**45.01**	6	3,056,931	83.95	**36,414**	6
3,569,656	4,299	**830**	8	3,896	120.98	**32.20**	7	3,172,656	120.97	**26,227**	7
4,426,985	4,042	**1,095**	6	4,042	83.47	**48.42**	6	4,426,985	83.47	**53,037**	6
5,684,449	4,700	**1,209**	7	4,058	83.96	**48.33**	6	5,234,449	83.95	**62,352**	6
6,312,383	4,605	**1,371**	8	4,150	120.98	**34.30**	7	5,705,383	120.97	**47,164**	7
5,179,252	5,261	**984**	7	4,950	84.25	**58.75**	5	4,981,597	84.25	**59,129**	5
5,484,053	4,651	**1,179**	6	4,378	82.04	**53.37**	5	5,273,961	82.03	**64,293**	5
4,831,198	4,229	**1,142**	7	3,648	81.22	**44.92**	6	4,336,223	81.22	**53,389**	6
9,225,585	5,475	**1,685**	6	5,112	74.74	**68.40**	4	9,003,597	74.74	**120,466**	4
8,450,907	4,930	**1,714**	7	4,415	72.70	**60.73**	5	7,970,231	72.70	**109,632**	5
7,519,048	4,197	**1,792**	7	3,573	71.69	**49.84**	6	7,050,154	71.69	**98,342**	6

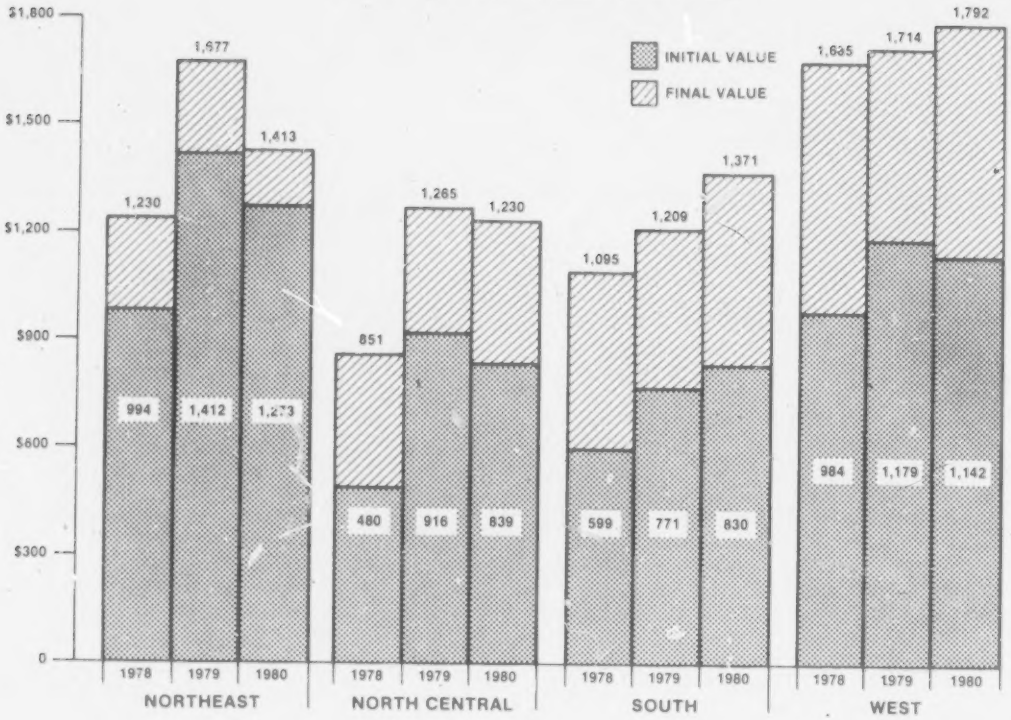
Claims Cost As A Percentage Of Payroll



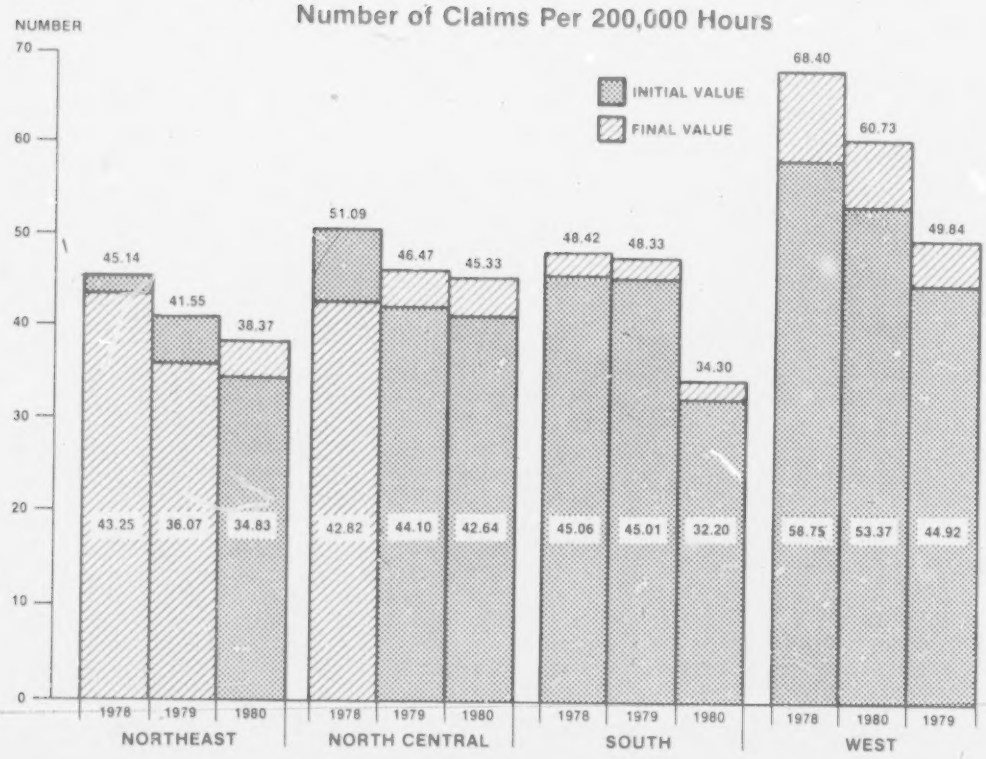
Number of Claims Per $100,000 Payroll

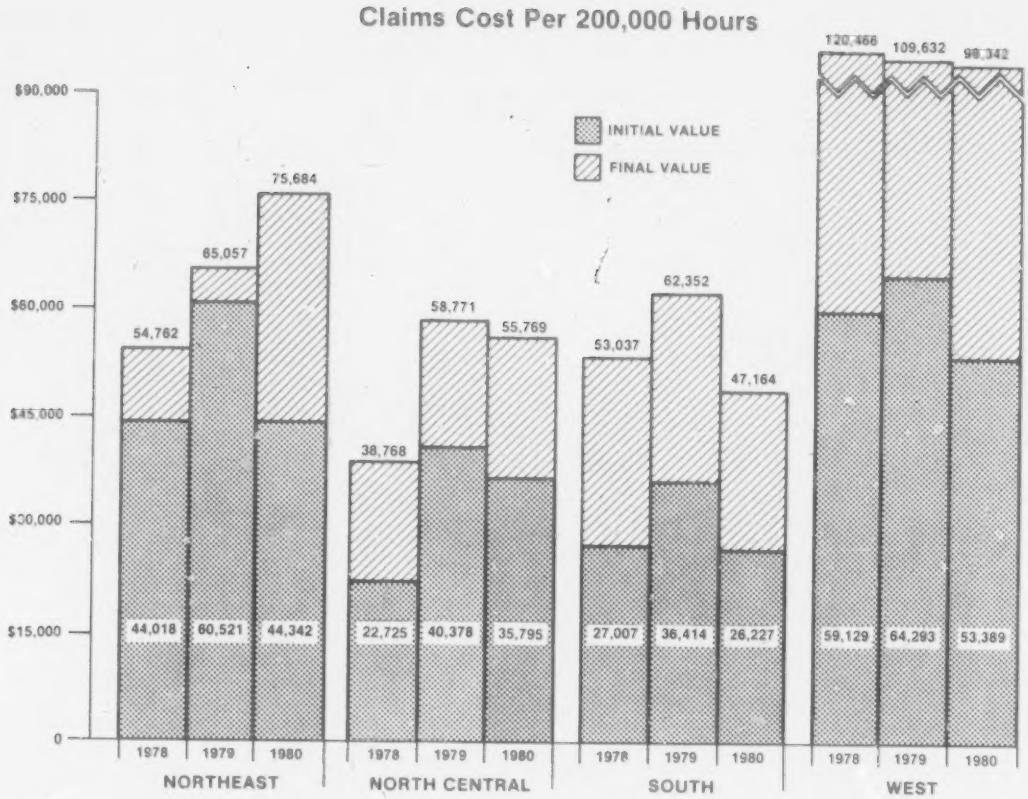


Average Claim Size In Dollars



Number of Claims Per 200,000 Hours




Claims Cost Per 200,000 Hours
$90,000
$75,000
$60,000
$45,000
$30,000
$15,000
0
INITIAL VALUE
FINAL VALUE
54,762
65,057
75,684
38,768
58,771
55,769
53,037
62,352
47,164
120,466
109,632
98,342
44,018
60,521
44,342
22,725
40,378
35,795
27,007
36,414
26,227
59,129
64,293
53,389
1978
1979
1980
NORTHEAST
NORTH CENTRAL
SOUTH
WEST

Workers Compensation – Distribution Centers

Chains/Wholesalers With Sales Less Than $250 Million

Workers Compensation – Distribution Centers

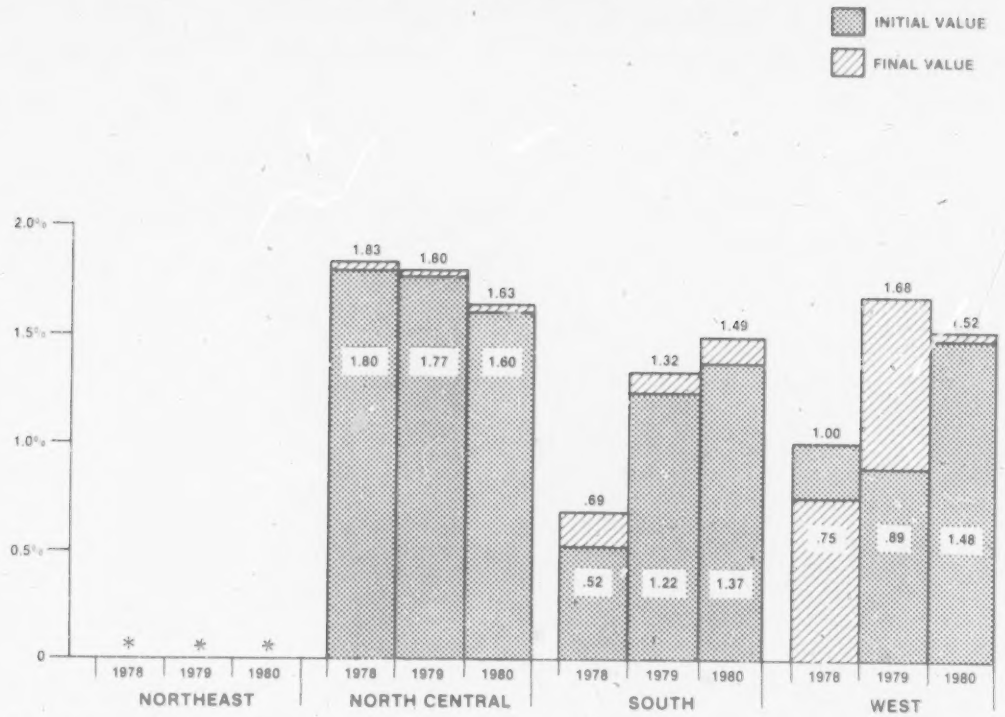
Chains/Wholesalers With Sales Less Than $250 Million

		CLAIMS COST AS A PERCENTAGE OF PAYROLL DOLLARS				NUMBER OF CLAIMS PER $100,000 PAYROLL			
		CLAIMS COST $	PAYROLL $ (000)	%	NO. OF FIRMS	PAYROLL $ (100,000)	NO. OF CLAIMS	NO.	NO. OF FIRMS
NORTHEAST*									
INITIAL VALUE	1978								
	1979								
	1980								
FINAL VALUE	1978								
	1979								
	1980								
NORTH CENTRAL									
INITIAL VALUE	1978	906,700	50,233	1.80	2	502.33	1,057	2.10	2
	1979	936,187	52,907	1.77	3	529.07	1,213	2.29	3
	1980	946,888	59,283	1.60	3	592.83	1,232	2.08	3
FINAL VALUE	1978	917,600	50,233	1.83	2	502.33	1,063	2.12	2
	1979	952,487	52,907	1.80	3	529.07	1,214	2.29	3
	1980	966,088	59,283	1.63	3	592.83	1,235	2.08	3
SOUTH									
INITIAL VALUE	1978	411,150	79,674	.52	6	796.74	439	.55	6
	1979	221,932	18,210	1.22	5	182.10	395	2.17	5
	1980	277,030	20,236	1.37	5	202.36	298	1.47	5
FINAL VALUE	1978	551,000	79,460	.69	5	794.60	1,044	1.31	5
	1979	238,000	18,009	1.32	4	180.09	402	2.23	4
	1980	299,000	20,005	1.49	4	200.55	294	1.47	4
WEST									
INITIAL VALUE	1978	39,318	3,950	1.00	2	39.50	90	2.28	2
	1979	43,107	4,830	.89	2	48.30	107	2.22	2
	1980	170,005	11,460	1.48	3	114.60	211	1.84	3
FINAL VALUE	1978	29,527	3,950	.75	2	39.50	93	2.35	2
	1979	81,294	4,830	1.68	2	48.30	121	2.51	2
	1980	173,932	11,460	1.52	3	114.60	223	1.95	3

*INSUFFICIENT DATA

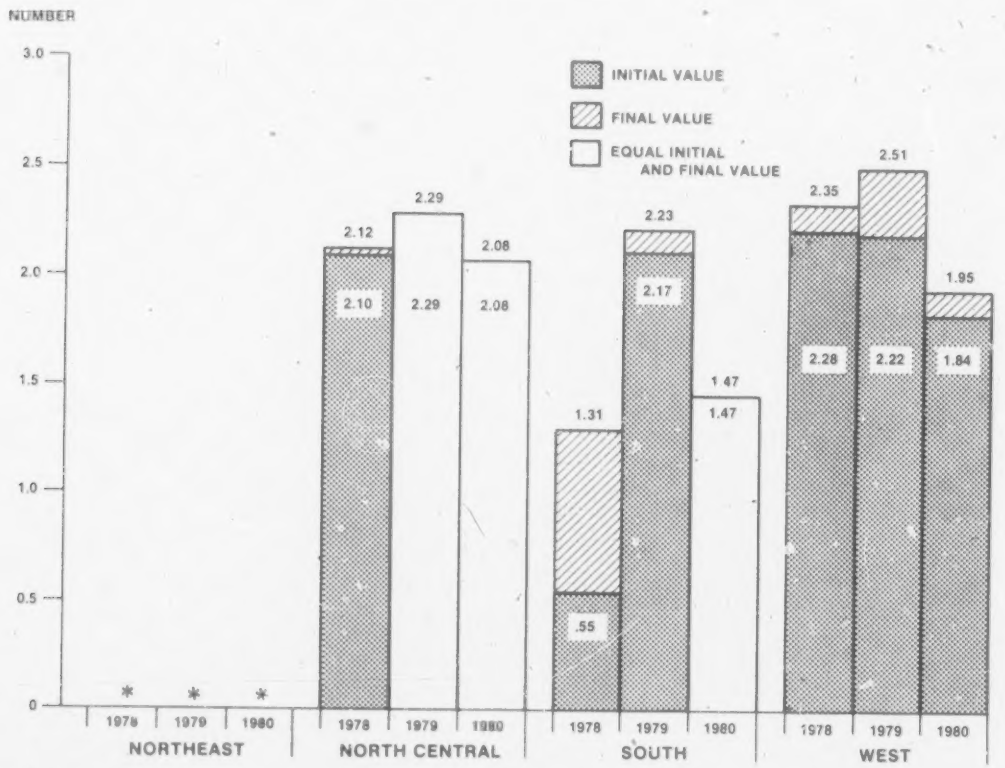
AVERAGE CLAIM SIZE IN DOLLARS				NUMBER OF CLAIMS PER 200,000 HOURS				CLAIMS COST PER 200,000 HOURS			
CLAIMS COST $	NO. OF CLAIMS	AVERAGE CLAIM $	NO. OF FIRMS	NO. OF CLAIMS	HOURS (200,000)	NO.	NO. OF FIRMS	CLAIMS COST $	HOURS (200,000)	$	NO. OF FIRMS
906,700	1,057	858	2	*	*	*	*	906,700	27.49	32,983	2
936,187	1,213	772	3	1,213	28.29	42.88	3	936,187	28.29	33,093	3
946,888	1,232	769	3	1,232	28.16	43.75	3	946,888	28.16	33,625	3
917,600	1,063	863	2	*	*	*	*	917,600	27.49	33,380	2
952,487	1,214	785	3	1,214	28.28	42.93	3	952,487	28.28	33,680	3
966,088	1,235	782	3	1,235	28.16	43.86	3	966,088	28.16	34,307	3
1,076,150	301	827	7	703	46.91	14.99	5	826,150	46.91	17,611	5
*	*	*	*	755	47.95	15.75	5	1,619,932	47.95	33,784	5
277,030	298	930	5	291	14.27	20.39	4	276,030	14.27	19,343	4
1,424,000	406	1,013	6	731	46.67	15.66	4	1,042,000	46.67	22,237	4
*	*	*	*	762	47.78	15.95	4	2,183,000	47.26	46,191	4
299,000	304	984	4	297	14.10	21.06	3	298,000	14.10	21,135	3
39,318	90	437	2	90	2.70	33.33	2	39,318	2.70	14,562	2
43,107	107	403	2	107	3.15	33.97	2	43,107	3.15	13,685	2
170,005	211	806	3	211	7.30	28.90	3	170,005	7.30	23,288	3
29,527	93	317	2	93	2.70	34.44	2	29,527	2.70	10,936	2
81,294	121	672	2	121	3.15	38.41	2	81,294	3.15	25,803	2
173,932	223	780	3	223	7.30	30.55	3	173,932	7.30	23,826	3

Claims Cost as a Percentage of Payroll



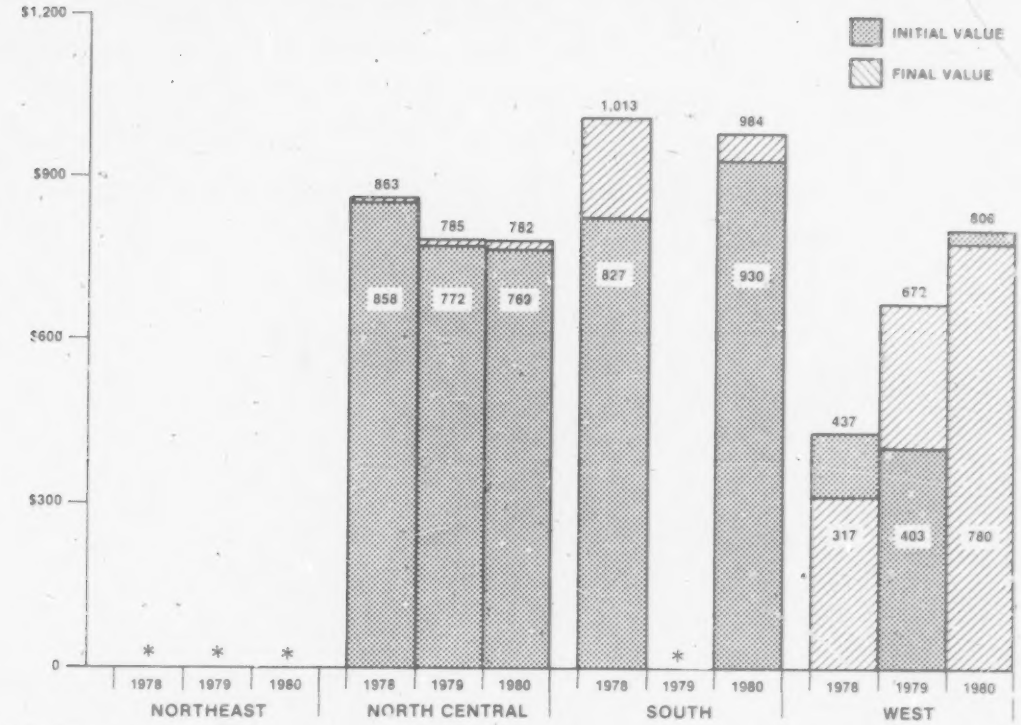
*INSUFFICIENT DATA

Number of Claims Per $100,000 Payroll



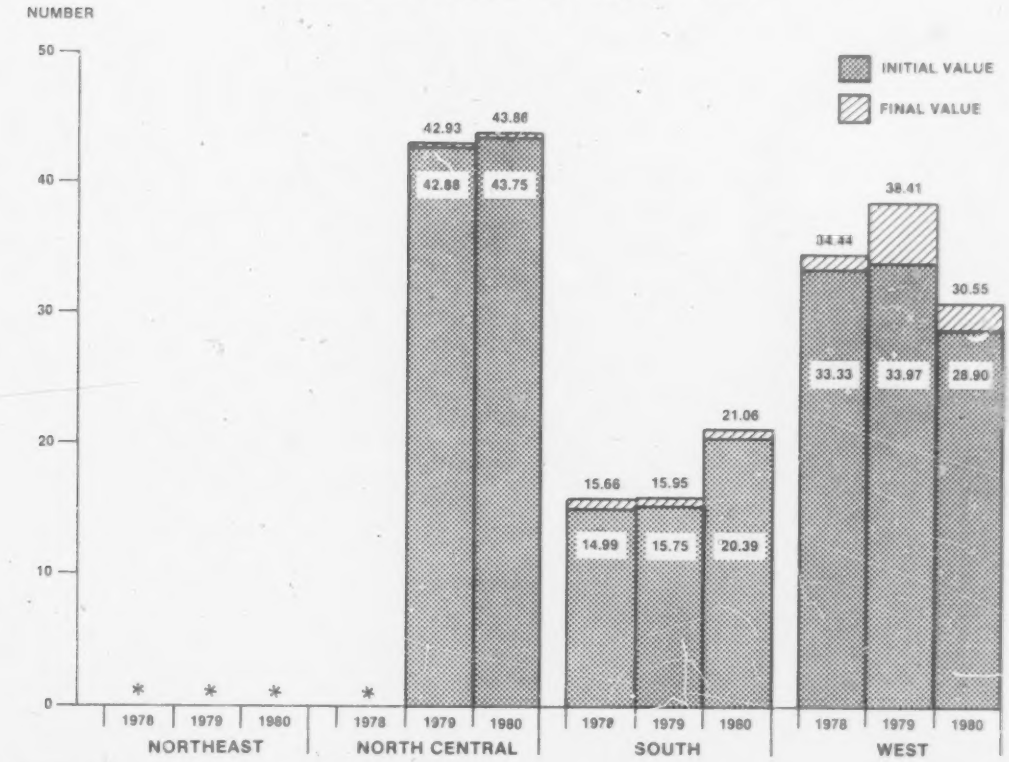
*INSUFFICIENT DATA

Average Claim Size in Dollars



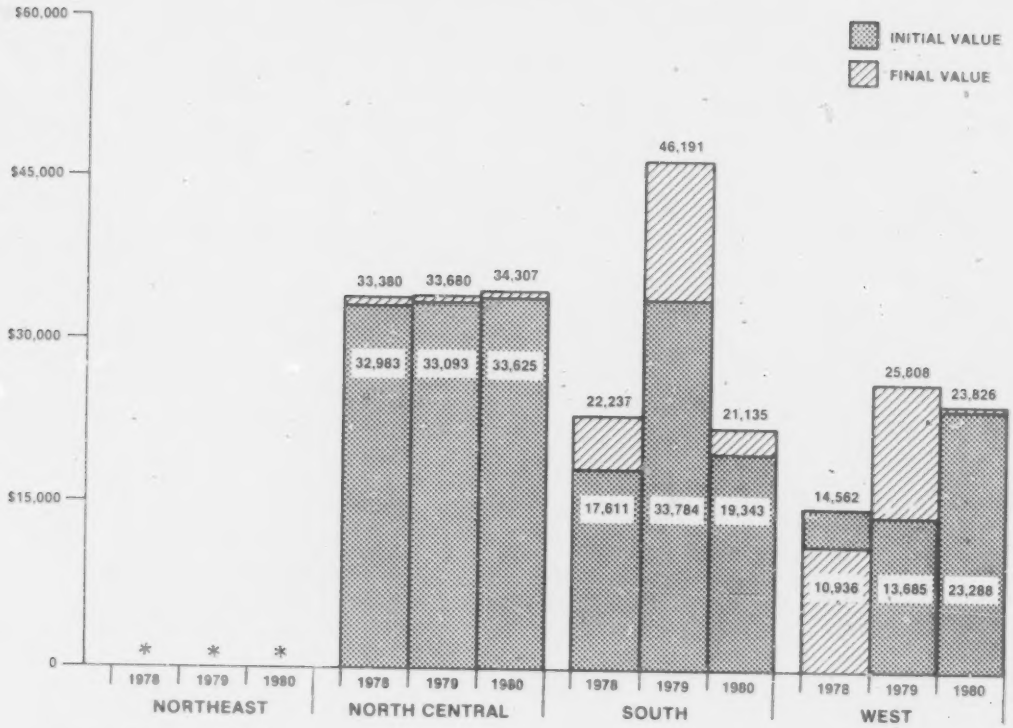
*INSUFFICIENT DATA

Number of Claims Per 200,000 Hours



*INSUFFICIENT DATA

Claims Cost Per 200,000 Hours



*INSUFFICIENT DATA

Appendix

APPENDIX

The following formulas were used to arrive at the statistical data presented in this report. This methodology also serves as a guideline for you to calculate your own data for comparison.

Public Liability – Stores (definitions are included on p. 1)

1. Claims Cost as a % of Sales = $\frac{\text{(Initial or Final) Claims Cost \$}}{\text{Sales \$}}$

2. Claims Cost Per 1,000 Customers = $\frac{\text{(Initial or Final) Claims Cost \$}}{\text{\# of Customer Transactions} \div 1{,}000}$

3. Average Claim Size in \$ = $\frac{\text{(Initial or Final) Claims Cost \$}}{\text{(Initial or Final) \# of Claims}}$

4. Number of Claims Per \$1 Million Sales = $\frac{\text{(Initial or Final) \# of Claims}}{\text{Sales \$} \div 1 \text{ Million}}$

5. Number of Claims Per 1,000 Customers = $\frac{\text{(Initial or Final) \# of Claims}}{\text{\# of Customer Transactions} \div 1{,}000}$

6. Premium Costs as a % of Sales = $\frac{\text{Premium Costs \$}}{\text{Sales \$}}$

Workers Compensation – Stores (definitions are included on p. 19)

1. Claims Cost as a % of Payroll \$ = $\frac{\text{(Initial or Final) Claims Cost \$}}{\text{Store Payroll \$}}$

2. Number of Claims Per \$100,000 Payroll = $\frac{\text{(Initial or Final) \# of Claims}}{\text{Store Payroll \$} \div 100{,}000}$

3. Average Claim Size in \$ = $\frac{\text{(Initial or Final) Claims Cost \$}}{\text{(Initial or Final) \# of Claims}}$

4. Number of Claims Per 200,000 Hours = $\frac{\text{(Initial or Final) \# of Claims}}{\text{Store Hours Worked} \div 200{,}000}$

5. Claims Cost Per 200,000 Hours = $\frac{\text{(Initial or Final) Claims Cost \$}}{\text{Store Hours Worked} \div 200{,}000}$

6. Premium Costs as a % of Payroll \$ = $\frac{\text{Premium Costs \$}}{\text{Payroll \$}}$

Workers Compensation – Distribution Centers (definitions are included on p. 37)

Methodology follows that of Workers Compensation – Stores, but using distribution center payroll dollars and hours worked.